



8 November 2013

Laurence Moore
Secretary
National Electrical and Communications Association - South Australian Chapter
213 Greenhill Road
Eastwood SA 5063

Dear Mr Moore

National Electrical and Communications Association South Australian Chapter Financial Report for the year ended 30 June 2012 - FR2012/283

I acknowledge receipt of the financial report of the National Electrical and Communications Association South Australian Chapter (NECA SA). The documents were lodged with Fair Work Australia on 13 November 2012. I acknowledge receipt of supplementary information on the 6 November 2013 in relation to the timescale of the lodgement of documents with Fair Work Australia and the going concern of NECA SA.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Changes to the legislation and reporting guidelines

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:
<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any queries regarding this letter, please contact me on (03) 8661 7886, or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



FAIR WORK
COMMISSION

17 October 2013

Mr Laurence Moore
Secretary
National Electrical and Communications Association - South Australian Chapter
213 Greenhill Road
Eastwood SA 5063

Dear Mr Moore

National Electrical and Communications Association South Australian Chapter Financial Report for the year ended 30 June 2012 - FR 2012/283

I acknowledge receipt of the financial report for the year ended 30 June 2012 for National Electrical and Communications Association South Australian Chapter (NECA SA). The financial report was lodged with Fair Work Australia on 13 November 2012.

The report has not been filed. I have examined the report. Following the examination I have identified a number of matters, the details of which are set out below, that I require you to attend to before the report can be filed.

1. Documents must be lodged with the Fair Work Commission with 14 days of General Meeting

Section 268 of the Fair Work (Registered Organisations) Act 2009 states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission (FWC) within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 24 October 2012. If this is correct the full report should have been lodged with the FWC by 7 November 2012.

The full report was lodged on 13 November 2012.

If these dates are correct, NECA SA is required to apply for an extension of time to lodge the required reports and the designated officer's certificate in accordance with section 268 of the RO Act. Please provide a written request for an extension of time, signed by a relevant officer, including any reason for the delay.

Please note that in future financial year's requests for extension of lodgement of financial reports and the designated officer's certificate must be made prior to required date of lodgement.

2. Going Concern

AASB 101: Presentation of Financial Statements paragraph 25 relates to the assessment of an entity's ability to continue as a going concern. *ASA 570: Going Concern* looks at the requirements for auditors in relation to their responsibility to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial report and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern.

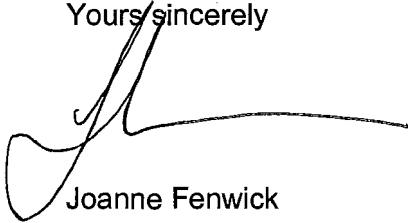
NECA SA has over many years reported an operating loss from ordinary activities. Although the statement of financial position indicates net assets of \$2,318,214, current liabilities exceed

current assets by \$359,108 and over the last three (3) financial years there has been a net decrease in cash held.

Due to these factors, FWC has concerns about NECA SA ability to prepare this general purpose financial report on a going concern basis. It is requested that evidence be provided to FWC that demonstrates the ability of NECA SA to continue as a going concern.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at joanne.fenwick@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to be 'Joanne Fenwick', written over the typed name.

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

South Australian Chapter

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12th November 2012

FAIR WORK AUSTRALIA
GPO Box 1994
MELBOURNE VIC 3001

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 as required by s272 of the Fair Work (Registered Organisations) Act 2009; and
2. that the full report was provided to members on the 20th of September 2012; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 24th of October 2012, in accordance with the Fair Work (Registered Organisations) Act 2009.



Signed _____
Laurence John Moore (Secretary)

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
SOUTH AUSTRALIAN CHAPTER**

Financial Statements

For Year Ending

30 June 2012

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

**OPERATING REPORT
YEAR ENDED 30 JUNE 2012**

Your Committee present their report on the National Electrical Contractors Association – South Australia Chapter (“the entity”) for the financial year ended 30 June 2012.

The names of the Committee members in office at any time during or since the end of the year and the period for which the position was held are:

Greg Hodby	President
Richard Lane	Vice President
Andy Thorpe	Treasurer
Alan Aitchison	
Gary McDougall	
Jeff Morgan	
Andrew Cross	
Larry Moore	Secretary

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

The loss from ordinary activities of the entity for the financial year amounted to \$163,202 (2011: loss of \$91,655).

Principal Activities

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

No significant changes in the entity’s financial affairs occurred during the financial year.

No officer or member of the entity is a trustee or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Members Advice

- (i) Under Section 174 of the Fair Work (Registered Organisation) Act 2009, a member may resign from membership by written notice addressed and delivered to the secretary of the chapter to which such member belongs.
- (ii) The register of members of the organisation was maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
- (iii) Section 272 of the Fair Work (Registered Organisations) Act 2009 outlines members and the entity’s rights to certain prescribed information.

The number of persons who were, at the end of the financial year to which the report relates, recorded in the register of members under Section 230 of the Registration and Accountability of Organisations (RAO) Schedule and which are taken to be members of the entity under section 244 of the RAO Schedule, was 486 members.

Insurance of Officers

During the financial year, National Electrical Contractors Association – SA Chapter paid insurance to cover all officers of National Electrical Contractors Association – SA Chapter. The officers of National Electrical Contractors Association – SA Chapter covered by the insurance policy included all the Committee members. The liabilities incurred include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of National Electrical Contractors Association – SA Chapter.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

**OPERATING REPORT (CONT)
YEAR ENDED 30 JUNE 2012**


The number of persons who were, at the end of the financial year to which the report relates, employees of the entity, where the number of employees includes both full time employees and part time employees was 5.

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 entity, the results of those operations, or the state of affairs of the entity in future financial years.

Signed in accordance with a resolution of the Committee:

Secretary


.....
Laurence John Moore

Signed at Eastwood this 10 day of September 2012

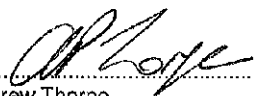
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA CHAPTER

**COMMITTEE OF MANAGEMENT
YEAR ENDED 30 JUNE 2012**

As Committee Members of National Electrical Contractors Association – SA Chapter, we declare on behalf of the Committee and in accordance with a resolution passed by the Committee that in the opinion of the Committee:

1. The financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the entity for the financial year to which they relate;
4. There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2012 and since the end of that year;
 - i. Meetings of the Committee were held in accordance with the rules of the National Electrical Contractors Association including the rules of the entity; and
 - ii. The financial affairs of the entity have been managed in accordance with the rules of the National Electrical Contractors Association of Australia including the rules of the entity; and
 - iii. The financial records of the entity have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. The financial records of the entity have been kept, as far as practicable, in a consistent manner to each of the other entities of the National Electrical Contractors Association; and
 - v. The information sought in any request of a member of the entity or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi. There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
6. The entity has not undertaken any recovery of wages activity.

Signed this 10 day of Sept. 2012


.....
Andrew Thorpe


.....
Andrew Cross

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Revenue from ordinary activities	3(a)	1,001,979	990,967
Employee expenses	3(b)	(552,454)	(443,647)
Depreciation expenses		(95,632)	(94,366)
Finance costs		(3,304)	(3,101)
Accounting and audit expenses		(16,290)	(15,000)
Bad debts expenses		-	(41,823)
Excellence awards expenses		(110,475)	(100,329)
Industrial services expenses		(31,138)	(6,364)
National subscription expenses		(91,690)	(87,189)
Property expenses		(77,119)	(57,839)
Printing expenses		(9,900)	(19,900)
Telephone and power expenses		(18,653)	(20,117)
Loss on sale of property, plant and equipment		(6,389)	(4,322)
Other operating expenses	3(b)	<u>(152,137)</u>	<u>(188,625)</u>
Profit/(Loss) from ordinary activities		<u>(163,202)</u>	<u>(91,655)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>(163,202)</u></u>	<u><u>(91,655)</u></u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Notes	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	277	15,131
Trade and other receivables	5	183,736	217,760
Other current assets	6	14,490	16,574
TOTAL CURRENT ASSETS		<u>198,503</u>	<u>249,465</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>2,699,096</u>	<u>2,762,509</u>
TOTAL NON-CURRENT ASSETS		<u>2,699,096</u>	<u>2,762,509</u>
TOTAL ASSETS		<u>2,897,599</u>	<u>3,011,974</u>
CURRENT LIABILITIES			
Trade and other payables	8	362,086	341,891
Financial liabilities	9	9,099	9,099
Borrowings	10	15,156	5,237
Provisions	11	171,270	143,457
TOTAL CURRENT LIABILITIES		<u>557,611</u>	<u>499,684</u>
NON-CURRENT LIABILITIES			
Financial liabilities	9	<u>21,774</u>	<u>30,874</u>
TOTAL NON-CURRENT LIABILITIES		<u>21,774</u>	<u>30,874</u>
TOTAL LIABILITIES		<u>579,385</u>	<u>530,558</u>
NET ASSETS		<u>2,318,214</u>	<u>2,481,416</u>
EQUITY			
Reserves		2,436,639	2,436,639
Retained earnings		(118,425)	44,777
TOTAL EQUITY		<u>2,318,214</u>	<u>2,481,416</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 2012**

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2010	136,432	2,436,639	2,573,071
Total comprehensive income/(loss) for the year	(91,655)	-	(91,655)
Balance at 30 June 2011	<u>44,777</u>	<u>2,436,639</u>	<u>2,481,416</u>
Total comprehensive income/(loss) for the year	(163,202)	-	(163,202)
Balance at 30 June 2012	<u>(118,425)</u>	<u>2,436,639</u>	<u>2,318,214</u>

The accompanying notes form part of these financial statements

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/members		2,834,219	2,680,026
Payments to suppliers and employees		(2,811,513)	(2,713,539)
Interest received		3,533	3,760
Interest and other costs of finance paid		(3,304)	(3,101)
Net cash flow from operating activities	12	<u>22,935</u>	<u>(32,854)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(38,608)	(23,483)
Net cash flow from investing activities		<u>(38,608)</u>	<u>(23,483)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase liability		(9,100)	(8,302)
Net cash flow from financing activities		<u>(9,100)</u>	<u>(8,302)</u>
Net increase/(decrease) in cash held		(24,773)	(64,639)
Cash at the beginning of the financial year		9,894	74,533
Cash at the end of the financial period	4	<u>(14,879)</u>	<u>9,894</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 2012**

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Fair Work Act 2009. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements have been prepared on an accruals basis and are 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.

Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. In periods when the freehold land and buildings are not subject to independent valuation, the Committee conducts Committee valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation reserve. All other decreases are charged to the statement of comprehensive income.

As the revalued buildings are depreciated the difference between the depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)****(a) Property, Plant and Equipment (Cont)****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	2.50%
Office Machines	15-30%
Computer Equipment	37.5-40%
Furniture and Fittings	7.5-13.5%
Motor Vehicles	8.75%

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 statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(b) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong

(c) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to reporting 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 cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(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 1997.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(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 incidental 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 statement of comprehensive income in the period in which they are incurred.

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(h) Revenue

Subscriptions received are recognised as revenue in the period to which the subscription relates.

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

All revenue is brought to account net of the amount of goods and services tax (GST).

(i) 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.

(j) Comparative Figures

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

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Key Estimates

(i) Impairment

The entity assesses impairment at each reporting date by evaluation of conditions and events specific to the entity 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 entity.

(l) Key Judgements

(i) Provision for impairment of receivables

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

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to the statement of comprehensive income 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.

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 the statement of comprehensive income.

(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. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(m) Financial Instruments (cont)

(v) Financial liabilities

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

Fair Value

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

Impairment

At each reporting date, the entity 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 entity 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.

(n) New Accounting Standards and Interpretations

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Entity. At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Entity.

Management anticipates that all of the relevant pronouncements will be adopted in the Entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Entity's financial statements is provided below.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Entity's financial statements.

AASB 9 Financial Instruments (effective from 1 January 2013)

The AASB aims to replace AASB 139 *Financial Instruments: Recognition and Measurement* in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Entity. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(n) New Accounting Standards and Interpretations (Cont)

Consolidation Standards

A package of consolidation standards are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Entity's management have yet to assess the impact of these new and revised standards on the Entity's financial statements.

AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 supersedes the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements (AASB 127) and Interpretation 112 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

AASB 11 Joint Arrangements (AASB 11)

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. It introduces two accounting categories (joint operations and joint ventures) whose applicability is determined based on the substance of the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method for joint ventures, which is currently used for investments in associates.

AASB 12 Disclosure of Interests in Other Entities (AASB 12)

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

Consequential amendments to AASB 127 Separate Financial Statements (AASB 127) and AASB 128 Investments in Associates and Joint Ventures (AASB 128)

AASB 127 Consolidated and Separate Financial Statements was amended to AASB 127 Separate Financial Statements which now deals only with separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It is applicable for annual periods beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this new standard.

AASB 2011-9 Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income s (AASB 101 Amendments)

The AASB 101 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs: (a) will not be reclassified subsequently to profit or loss and (b) will be reclassified subsequently to profit or loss when specific conditions are met. It is applicable for annual periods beginning on or after 1 July 2012. The Entity's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Fair Work Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272 which read, as follows:

- (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).

	2012	2011
	\$	\$
NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES		
Subscriptions received	491,698	476,520
Interest received	3,533	3,760
Stationery and service fees	75,590	42,868
Petrol invoices recharges	27,857	31,766
Commission received	36,016	34,641
Rent received	158,508	160,581
Grant income	8,736	14,168
Excellence awards fees	88,872	93,892
Industrial services	28,113	20,282
Recoverable expenses	2,244	10,817
Advertising and promotions revenue	77,225	95,875
Other revenue	3,387	5,797
TOTAL REVENUE	1,001,979	990,967

NOTE 3 - (b) EXPENSES FROM ORDINARY ACTIVITIES

Employee Expenses:		
Salaries	471,807	372,092
Superannuation	80,647	71,555
	<u>552,454</u>	<u>443,647</u>
Other Expenses:		
RACCA expenses	6,551	7,332
Training and development	4,911	28,845
Motor vehicle expenses	859	5,179
Promotions	21,257	26,652
Office expenses	28,918	29,530
Legal fees	22,183	13,404
Other operating expenses	67,458	77,683
	<u>152,137</u>	<u>188,625</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 4 - CASH AND CASH EQUIVALENTS		
Westpac Bank- operating account	77	14,931
Petty cash	200	200
	<u>277</u>	<u>15,131</u>
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:		
Cash and cash equivalents	277	15,131
Bank overdraft	(15,156)	(5,237)
	<u>(14,879)</u>	<u>9,894</u>

NOTE 5 - TRADE AND OTHER RECEIVABLES

Trade receivable and other assets	186,066	206,997
Provision for doubtful debts	(2,017)	(930)
GST receivable	(313)	11,693
	<u>183,736</u>	<u>217,760</u>

Current trade receivables are non-interest bearing and are generally receivable within 30 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit.

	2012	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)			Current \$	
				<30 \$	31-60 \$	61-90 \$		90+ \$
Trade receivables		186,066	2,017	25,554	9,074	200	299	148,922
	2011	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired (Days Overdue)			Current \$	
Trade receivables		219,620	930	17,012	141	1,443	6,365	194,659

The entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Financial assets classified as loans and receivables	2012	2011
	\$	\$
Trade and other receivables:		
total current	<u>183,736</u>	<u>217,760</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
NOTE 6 - OTHER CURRENT ASSETS			
Prepayments		14,490	16,574
NOTE 7 - PROPERTY, PLANT AND EQUIPMENT			
Land and building - at independent valuation 30 June 2010	(b)	2,720,000	2,720,000
Less: accumulated depreciation		(136,000)	(68,000)
		2,584,000	2,652,000
Office machines - at cost		30,189	24,928
Less: accumulated depreciation		(18,314)	(15,255)
		11,875	9,673
Computer equipment - at cost		31,323	28,411
Less: accumulated depreciation		(20,434)	(11,611)
		10,889	16,800
Furniture & fittings - at cost		65,782	48,125
Less: accumulated depreciation		(11,339)	(14,609)
		54,443	33,516
Hire purchase - motor vehicle		69,844	69,844
Less: accumulated depreciation		(31,955)	(19,324)
		37,889	50,520
Total plant and equipment		2,699,096	2,762,509

(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	2,652,000	9,673	16,800	33,516	50,520	2,762,509
Depreciation and amortisation	(68,000)	(3,059)	(8,823)	(3,119)	(12,631)	(95,632)
Additions	-	5,261	2,912	30,435	-	38,608
Disposals/ scrapped	-	-	-	(6,389)	-	(6,389)
Carrying Value at end of year	2,584,000	11,875	10,889	54,443	37,889	2,699,096

(b) Valuation of land and buildings

The valuation of land and buildings is fair values being the amounts for which the assets could be exchanged between willing parties in an arms length transaction based on current prices in an active market for similar properties is the same location and condition. The 2010 valuations were made based on independent assessments by a member of the Australian Property Institute at 1 July 2009.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 8 - TRADE AND OTHER PAYABLES		
Sundry creditors	283,142	275,216
Payroll liabilities	15,835	6,520
Bond monies payable	63,109	60,155
	<u>362,086</u>	<u>341,891</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

NOTE 9 - FINANCIAL LIABILITIES**CURRENT**

Hire purchase liability	<u>9,099</u>	<u>9,099</u>
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NON-CURRENT

Hire purchase liability	<u>21,774</u>	<u>30,874</u>
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A motor vehicle acts as security for this hire purchase liability.

NOTE 10 - BORROWINGS

Bank overdraft	<u>15,156</u>	<u>5,237</u>
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NOTE 11 - PROVISIONS**CURRENT**

Provision for long service leave	92,671	75,357
Provision for annual leave	<u>78,599</u>	<u>68,100</u>
	<u>171,270</u>	<u>143,457</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 12 - CASH FLOW INFORMATION		
Reconciliation of cash flow from operations with profit:		
Operating profit/ (loss)	(163,202)	(91,655)
Non-cash flows in profit:		
Loss on sale of fixed assets	6,389	4,322
Depreciation expense	95,632	94,366
	<u>(61,181)</u>	<u>7,033</u>
Changes in assets and liabilities during the financial year:		
Increase/(decrease) in leave provisions	27,813	29,844
Increase/(decrease) in trade and other payables	20,195	13,481
Decrease/(increase) in other current assets	2,084	(1,683)
Decrease/(increase) in trade and other receivables	34,024	(81,529)
Net cash provided by operating activities	<u>22,935</u>	<u>(32,854)</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 2012 was \$284,844 (2011: \$294,763) with a limit of \$300,000. Interest rates on this facility are variable and subject to adjustment.

NOTE 13 - AUDITOR'S REMUNERATION

Amounts received, or due and receivable by the auditor of the entity for auditing the accounts of the chapter:

- Audit fee	9,800	7,900
- Other services	6,490	7,000
	<u>16,290</u>	<u>14,900</u>

NOTE 14 - KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term employee benefits	98,532	107,150
Post-employment benefits	49,870	49,850
	<u>148,402</u>	<u>157,000</u>

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****NOTE 15 - RELATED PARTIES**

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

G Hodby	President
R Lane	Vice President
A Thorpe	Treasurer
Jeff Morgan	
Andrew Cross	
G McDougall	
A Aitchison	
L Moore	Secretary

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

NAME	ORGANISATION	OFFICE HELD
G McDougall	Laser Electrical	Director
A Aitchison	MIMP Computer Cable Pty Ltd.	Manager
R Lane	O'Donnell Griffin Pty Ltd. PEER VEET	State Manager Director
G Hodby	Nilsen Electric (SA) Pty Ltd. NECA National	Group General Manager National Councillor Executive Member
J Morgan	PJ Corporate Electrical	Director
A Cross	PSG Boffa Russo	General Manager
A Thorpe	Niramar Pty Ltd. NECA National	Director National Councillor
L Moore	Industry Skills Board (EEEWSB) Australian Refrigeration Council (ARC) National Industry Skills Council PEER VEET	Chairman Director Director Director

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 (2011: 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 \$89,165 for the year ended 30 June 2012 (2011 \$85,823).

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 16 - FINANCIAL INSTRUMENTS

The entity's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and finance leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 are as follows:

	Note	2012 \$	2011 \$
Financial assets			
Cash and cash equivalents	4	277	15,131
Loans and receivables	5	183,736	217,760
		<u>184,013</u>	<u>232,891</u>
Financial liabilities			
Trade and other payables	8	362,086	341,891
Finance leases	9	30,873	39,973
Borrowings	10	15,156	5,237
		<u>408,115</u>	<u>387,101</u>

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are liquidity risk, credit risk and market risk.

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16 - FINANCIAL INSTRUMENTS (CONT)

b) Liquidity risk (Cont)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Total	
	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$
Financial liabilities						
Trade and other payables	362,086	341,891	-	-	362,086	341,891
Finance leases	9,099	9,099	21,744	30,874	30,873	39,973
Borrowings	15,156	5,237	-	-	15,156	5,237
Total financial liabilities	386,341	356,227	21,744	30,874	408,115	387,101
Financial assets						
Cash and cash equivalents	277	15,131	-	-	277	15,131
Trade and other receivables	183,736	217,760	-	-	183,736	217,760
Total financial assets	184,013	232,891	-	-	184,013	232,891

Financial assets pledged as collateral

A motor vehicle acts as security for the finance lease liability.

c) **Market Risk**i. **Interest rate risk**

Exposure to Interest rate risk arises on financial assets recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

Sensitivity analysis

The entity'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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 16 - FINANCIAL INSTRUMENTS (CONT)

c) Market Risk (Cont)

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

	Note	2012 Net Carrying Value \$	Net Fair Value \$	2011 Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	277	277	15,131	15,131
Trade and other receivables	(i)	183,736	183,736	217,760	217,760
Total financial assets		<u>184,013</u>	<u>184,013</u>	<u>232,891</u>	<u>232,891</u>
Financial liabilities					
Trade and other payables	(i)	362,086	362,086	341,891	341,891
Borrowings		15,156	15,156	5,237	5,237
Finance leases		30,873	30,873	39,973	39,973
Total financial liabilities		<u>408,115</u>	<u>408,115</u>	<u>387,101</u>	<u>387,101</u>

The fair values disclosed in the above table have been determined based on the following methodologies

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 17 - CAPITAL AND LEASING COMMITMENTS		
a. Hire purchase commitments		
Payable - minimum payments not later than 12 months between 12 months and 5 years	12,403	12,403
	<u>21,634</u>	<u>34,037</u>
Minimum payments	34,037	46,440
Less: future finance charges	<u>(3,164)</u>	<u>(6,467)</u>
	<u>30,873</u>	<u>39,973</u>
Capital and leasing commitments represents hire purchase agreements over motor vehicles.		
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
- not later than 12 months	8,917	8,917
- between 12 months and five years	17,833	28,979
- greater than five years	-	-
	<u>26,750</u>	<u>37,896</u>

The photocopier lease is a non-cancellable lease with a 60 month term.
A new lease agreement was signed for an 60 month period on the 16 August 2010.

NOTE 18 - RESERVES

Asset revaluation reserve records valuations of non-current assets.

NOTE 19 - CONTINGENT LIABILITIES

There were no contingencies facing National Electrical Contractors Association- SA Chapter as at 30 June 2012 that have not been brought to account in the financial report.

NOTE 20 - SUBSEQUENT EVENTS

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 21 - ENTITY DETAILS

The principal place of business is:

213 Greenhill Road
EASTWOOD SA 5063



Level 1,
37 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001
T 61 8 8372 8666
F 61 8 8372 8677
E info.sa@au.gt.com
W www.grantthornton.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATIONAL ELECTRICAL CONTRACTORS
ASSOCIATION - SA CHAPTER**

We have audited the accompanying financial report of National Electrical Contractors Association – SA Chapter (the “Entity”), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management.

Responsibility of the Committee of Management for the financial report

The Committee of Management of the Entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Fair Work (Registered Organisation) Act 2009 and Fair Work (Registered Organisations) Regulations 2009. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Committee of Management also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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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.

In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion,

- a the financial report of National Electrical Contractors Association – SA Chapter,
 - i presents fairly, in all material respects, the Entity's financial position as at 30 June 2012 and of its performance and cash flows for the year then ended; and
 - ii complies with Australian Accounting Standards and all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisation) Act 2009; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J. Humphrey
Director – Audit & Assurance

Adelaide, 10 September 2012