Australian Government
Australian Industrial Registry

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11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7989
Fax: (03) 9655 0410
Email: cynthia.lobooth@airc.gov.au

Mr Philip Green
Chief Executive Officer
Victorian Chapter
National Electrical and Communications Association
Level 12, 222 Kingsway
SOUTH MELBOURNE VIC 3205

By email: necavic@neca.asn.au

Dear Mr Green

Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)
Financial report for year ended 30 June 2008 − FR2008/281

I acknowledge receipt of the financial report of the Victorian Chapter of the National Electrical and Communications Association for the year ended 30 June 2008. The documents were lodged in the Industrial Registry on 27 November 2008.

The financial documents have been filed.

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

Operating Report − Superannuation Trustees

The operating report is required to state whether any *officer or member* of the Chapter is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity where a criterion for being the trustee or director is that the trustee or director is an officer or member of a registered organisation − see section 254(2)(d) of the RAO Schedule. I note the lodged operating report did contain a comment on superannuation trustees in relation to an "officer or Councillor of the Association" but to fully satisfy the requirement of s254(2)(d) the comment must consider whether any "officer or member" of the Chapter is a trustee or director of a trustee company of a superannuation entity.

Committee of Management Statement − True and Fair View

In our previous correspondence with you dated 18 January 2008, we had advised in respect of the auditor's opinion, the term "true and fair view" had been replaced with the term "presented fairly" under s257(5) of the RAO Schedule. This change is only relevant to the auditor's opinion and is *not applicable* to the declarations contained in the *committee of management statement*. Therefore, the auditor's opinion is now correct and in compliance with s257(5) but in future, please revert the wording in paragraph (c) of the committee of management statement (see page 3 of the financial report for year ended 30 June 2008) back to:

> *"the financial statements and notes give a <u>true and fair view</u> of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;"*

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Wed−Fri) or by email at cynthia.lobooth@airc.gov.au

Yours sincerely,

Cynthia Lo−Booth
Statutory Services Branch

18 December 2008

Victoria chapter | **national electrical and communications association**
Level 12 222 Kingsway South Melbourne Victoria 3205 Australia
telephone: + 61 3 9645 5533 facsimile: + 61 3 9645 5544
email: necavic@neca.asn.au website: www.neca.asn.au
ABN 38 881 083 819

24 November, 2008

Industrial Registrar
GPO Box 1994
MELBOURNE, 3001

Dear Sir/Madam,

Please find attached the financial documents as required to be lodged under the Workplace Relations Act, 1996, with regard to the financial year ended 30 June 2008.

These financial accounts were endorsed by resolution of the NECA Victoria Council on 9 September 2008 and by the Annual General Meeting of members held on 10 November 2008.

Should you have any enquiries or these documents are incomplete under the Regulations, then please contact the undersigned on 9645 5533.

Yours sincerely,

PHILIP GREEN
CHIEF EXECUTIVE OFFICER

REF\G\CORRESPONDENCE\LETTER\241108.1

NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

Operating Report by the Committee of Management

Your Chapter Council members submit the consolidated financial report of the National Electrical Contractors Association – Victoria Chapter ("the Association") for the financial year ended 30 June 2008.

Chapter Council Members

The names of Council members of the Association throughout the financial year and at the date of this report are:

W. McKnight	N. Palmer	M. Graham	P. Jinks (resigned 17/6/2008)
R. Ford	N. Lancefield	D. O'Brien	
D. Pierce	T. Cottrell	P. Tobin (appointed 17/6/2008)	

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

Principal Activity

The principal activity of the Association during the financial year was representing the interests of its members in the electrical and communications contracting industry. No significant change in the nature of these activities occurred during the year.

No Significant Changes in State of Affairs

No significant changes in the state of affairs of the Association occurred during the financial year.

Operating Results

The profit of the Association for the financial year after providing for income tax amounted to $1,691,339 (2007: $685,270).

Superannuation Trustees

No officer or Councillor of the Association is a trustee or director of an industry related superannuation entity.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Number of Members

The Association had 1,174 (2007: 1,172) members at financial year end.

Number of Employees

The Association had 11 (2007: 10) employees at financial year end.

Operating Report by the Committee of Management (cont'd)

Members Right to Resign

Members may resign from the Association in accordance with Rule 11, Resignation from Membership, of the Federal Rules of the National Electrical Contractors Association. Rule 11 conforms with Section 174, Resignation from Membership, of the Schedule 1 of the Workplace Relations Act 1996.

Signed in accordance with a resolution of the Members of the Chapter Council:

WES MCKNIGHT
President

MICHAEL GRAHAM
Treasurer

Dated this 25th day of September 2008

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

Committee of Management Statement

On 9th September 2008 the Committee of Management (Chapter Council) of the National Electrical Contractors Association – Victorian Chapter ("the Association") passed the following resolution in relation to the general purpose financial report (GPFR) of the association for the financial year ended 30 June 2008.

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 presents fairly 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;

e) the information that is prescribed by the RAO Regulations is available to members on request under section 272 of the RAO Schedule; and

f) during the financial year to which the GPFR relates and since the end of that year:

   i) meetings of the committee of management were held in accordance with the rules of the Association;
   ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Association including the rules of a branch concerned;
   iii) the financial records of reporting units have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations;
   iv) no requests have been made from any member of the Association or the 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:

WES MCKNIGHT
President

MICHAEL GRAHAM
Treasurer

Dated this 25th day of September 2008

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

VICTORIAN CHAPTER

Designated Officer's Certificate

I, Philip Green, being the Chief Executive Officer of the National Electrical Contractors Association – Victorian Chapter certify:

a) that the documents lodged herewith are copies of the full report referred to in s.268 of the RAO Schedule.
b) That the full report was provided to members on 1 October 2008.
c) That the full report was presented to a general meeting of the members of the reporting unit on 10 November 2008 in accordance with section 266 of the RAO Schedule.

Signed in accordance with a resolution of the members of the Committee.

....

PHILIP GREEN
CHIEF EXECUTIVE OFFICER

Dated this twenty fourth day of November 2008.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $	2007 $
Revenue	2	**1,906,524**	1,551,199
Other income	2	**2,270,132**	1,189,228
Conferences and training		**(142,561)**	(144,903)
Cost of sales		**(167,646)**	(26,088)
Depreciation expenses	3	**(78,478)**	(61,056)
Finance costs	3	**(21,818)**	(16,961)
Lease expense		**(50,292)**	(51,294)
Salaries, employee benefits and superannuation expenses		**(738,585)**	(662,428)
Postage, printing and stationery		**(144,571)**	(114,373)
Affiliation subscription fees		**(262,468)**	(264,927)
Other expenses		**(878,898)**	(713,127)
Profit before income tax		**1,691,339**	685,270
Income tax expense	1(a)	**-**	-
Profit attributable to the association		**1,691,339**	685,270

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008	2007
		$	$
CURRENT ASSETS			
Cash and cash equivalents	5	**1,769,801**	1,369,229
Trade and other receivables	6	**2,009,811**	2,116,648
Inventories	7	**62,047**	17,371
Financial assets	8	**3,582,660**	2,138,880
Other current assets	9	**9,630**	12,341
Total Current Assets		7,433,949	5,654,469
NON-CURRENT ASSETS			
Trade and other receivables	6	**130,000**	130,000
Property, Plant & Equipment	10	**1,508,376**	1,504,232
Total Non-Current Assets		**1,638,376**	1,634,232
Total Assets		9,072,325	7,288,701
CURRENT LIABILITIES			
Trade and other payables	11	**1,246,713**	1,057,874
Short term borrowings	12	**7,787**	7,787
Other current liabilities	14	**1,230,948**	1,316,934
Total Current Liabilities		**2,485,448**	2,382,595
Non-Current Liabilities			
Long term borrowings	12	**34,219**	42,006
Long term provisions	13	**6,546**	9,327
Total Non-Current Liabilities		**40,765**	51,333
Total Liabilities		**2,526,213**	2,433,928
NET ASSETS		**6,546,112**	4,854,773
MEMBERS' FUNDS			
Retained profits		**5,479,002**	3,787,663
Reserves		**1,067,110**	1,067,110
TOTAL MEMBERS' FUNDS		**6,546,112**	4,854,773

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Asset revaluation reserve $	Capital profits reserve $	Retained earnings $	Total $
Balance at 1 July 2006	260,955	580,280	3,102,393	3,943,628
Transfers to and from reserves	(4,725)	-	-	(4,725)
Revaluation increment	230,600		-	230,600
Profit attributable to members of Association	-	-	685,270	685,270
Balance at 30 June 2007	486,830	580,280	3,787,663	4,854,773
Transfers to and from reserves	-	-	-	-
Revaluation increment	-	-	-	-
Profit attributable to members of Association	-	-	1,691,339	1,691,339
Balance at 30 June 2008	486,830	580,280	5,479,002	6,546,112

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $	2007 $
Cash flows from operating activities			
Receipts in the course of operations		**3,885,328**	2,296,959
Payment to suppliers and employees		**(1,980,861)**	(2,069,985)
Interest received		**284,725**	280,099
Net cash provided by operating activities	19	**2,189,192**	507,073
Cash flows from investing activities			
Payment for plant and equipment		**(82,622)**	(354,420)
Payment for finance lease		**(7,787)**	(29,415)
Proceeds from sale of non- current assets		**-**	31,500
Net cash provided by investing activities		**(90,409)**	(352,335)
Net increase/(decrease) in cash held		**2,098,783**	154,738
Cash at beginning of financial year		**2,303,622**	2,148,884
Cash at end of financial year	5	**4,402,405**	2,303,622

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers National Electrical Contractors Association – Victorian Chapter as an individual entity. The National Electrical Contractors Association is an association of employers registered under the Workplace Relations Act 1996.

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, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

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

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.

Accounting Policies

(a) Income Tax

No provision for income tax is necessary as "Associations of Employers" registered under the Workplace Relations Act 1996 are exempt from income tax under Section 50-40 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

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

Property

Where freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Where freehold land and buildings are carried at cost basis, accumulated depreciation applies to buildings and impairment losses apply to freehold land and buildings.

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

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 the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation
The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	2.5 %	Straight Line
Plant and equipment	8 - 12 %	Straight Line
Computers and office equipment	33 %	Straight Line
Furniture and fittings	5 - 10 %	Straight Line
Leased motor vehicles	25 %	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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

(d) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Association becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit of loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

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

(e) Impairment of Assets

At each reporting date, the Association 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 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.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(h) Employee Benefits

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

(i) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

(j) 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 four months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(k) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers and members.

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

Apprenticeship fees are recognised when the service is provided.

Commission on sales made to members is recognised when the right to receive a commission has been established.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

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

(n) Critical accounting estimates and judgments

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

Key estimates — Impairment

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

No impairment has been recognised in respect of property, plant and equipment for the year ended 30 June 2008.

The financial report was authorised for issue on 9 September 2008.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $	2007 $
NOTE 2. REVENUE			
Operating activities			
- Member subscriptions		**1,183,438**	1,127,185
- Sale of products and services		**601,814**	315,359
Petrol administration fee		**121,272**	108,655
		1,906,524	1,551,199
Non-operating activities			
Director fees		**157,093**	120,000
Interest from other corporations		**284,725**	280,099
Distribution - Protect Severance Scheme		**1,594,535**	490,711
Movement in investment value		**-**	101,266
Other revenue		**233,779**	197,152
		2,270,132	1,189,228
Total Revenue		**4,176,656**	2,740,427

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

		2008 $	2007 $
Expenses			
Affiliation fees		**253,617**	256,838
Conferences and meeting		**142,561**	144,903
Depreciation of:			
- Property, plant and equipment		**78,478**	61,056
Finance charges		**21,818**	16,961
Legal and professional fees		**97,043**	180,658
Loss on disposal of assets		**-**	6,455
Rental expense on operating leases			
- Minimum lease payments		**50,292**	51,294

NOTE 4: AUDITOR'S REMUNERATION

		2008 $	2007 $
Remuneration of the auditor of the Association for:			
- auditing or reviewing the financial report		**12,000**	12,000

	Note	2008 $	2007 $

NOTE 5: CASH AND CASH EQUIVALENTS

	Note	2008 $	2007 $
Cash at bank		**1,769,801**	1,369,229
		1,769,801	1,369,229

The effective interest rate on cash at bank deposits was 4.5% (2007: 4.1%); these deposits have an average maturity days of 105 days.

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:

	Note	2008 $	2007 $
Cash at bank		**1,769,801**	1,369,229
Short term deposits	8	**2,632,604**	934,393
		4,402,405	2,303,622

NOTE 6: TRADE AND OTHER RECEIVABLES

	2008 $	2007 $
CURRENT		
General membership	**1,210,907**	1,394,111
Petrol scheme	**731,013**	588,317
Other debtors	**75,245**	139,220
	2,017,165	2,121,648
Less Provision for doubtful debts	**(7,354)**	(5,000)
	2,009,811	2,116,648
NON-CURRENT		
Loan due from related entity	**130,000**	130,000

Current trade receivables are non-interest bearing loans and generally are receivable within 30 days. A provision for impairment is recognised against subscriptions where there is subjective evidence that an individual trade receivable is impaired. The impairment loss recognised at 30 June 2008 was $7,354 (2007: $5,000).

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full where applicable.

NOTE 7: INVENTORIES

	2008 $	2007 $
CURRENT		
Finished Goods at cost	**62,047**	17,371

	Note	2008 $	2007 $
NOTE 8: FINANCIAL ASSETS			
CURRENT			
Available-for-sale financial assets			
Short Term Deposits	5	**2,632,604**	934,393
Investment Fund - at fair value		**950,056**	1,204,487
		3,582,660	2,138,880

The effective interest rate on short term deposits was 7.5% (2006: 5.6%).

	Note	2008 $	2007 $
NOTE 9: OTHER CURRENT ASSETS			
Prepayments		**9,630**	12,341
		9,630	12,341

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	Note	2008 $	2007 $
PROPERTY			
Building			
At valuation - 30 June2007	10(a)	**1,100,000**	1,100,000
Less accumulated depreciation		**(27,500)**	-
		1,072,500	1,100,000
PLANT AND EQUIPMENT			
Building Improvement			
At cost		**292,798**	261,222
Less accumulated depreciation		**(10,392)**	(3,265)
		282,406	257,957
Computer & office equipment			
At cost		**70,108**	66,559
Less accumulated depreciation		**(52,224)**	(36,095)
		17,884	30,464
Furniture & fittings			
At cost		**64,699**	49,199
Less accumulated depreciation		**(12,310)**	(7,653)
		52,389	41,546
Plant & equipment			
At cost		**9,433**	9,433
Less accumulated depreciation		**(8,088)**	(7,144)
		1,345	2,289
Leased Motor vehicles			
At cost		**115,150**	83,152
Less accumulated depreciation		**(33,298)**	(11,176)
		81,852	71,976
Total Property, Plant and Equipment		**1,508,376**	1,504,232

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) An independent valuation of the building based on open market value was undertaken on 10th July 2007 by K. Connolly, Certified Practicing Valuer.

(b) Movements in Carrying Amounts

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

	Building $	Building Improvem'ts $	Computer and Office Equipment $	Furniture and Fittings $	Plant and Equip't $	Leased Motor Vehicle $	Total $
Balance at the beginning of the year	1,100,000	257,957	30,464	41,548	2,288	71,975	1,504,232
Revaluation increment		-	-	-	-	-	-
Additions	-	31,576	3,549	15,500	-	31,997	82,622
Disposals	-	-	-	-	-	-	-
Depreciation expense	27,500	7,127	16,129	4,659	943	22,120	78,478
Carrying amounts at the end of the year	1,072,500	282,406	17,884	52,389	1,345	81,852	1,508,376

	Note	2008 $	2007 $
NOTE 11: TRADE AND OTHER PAYABLES			
CURRENT			
Trade creditors and accruals		**133,039**	77,950
Petrol scheme creditor		**731,013**	588,317
Goods and services tax payable		**119,103**	107,842
Security Deposits		**156,078**	144,027
Fringe benefit tax		**2,861**	2,864
Short-term employee benefits		**104,619**	136,874
		1,246,713	1,057,874
NOTE 12: SHORT TERM BORROWINGS			
CURRENT			
Lease liability	16(b)	**7,787**	7,787
NON CURRENT			
Lease liability	16(b)	**34,219**	42,006

NOTE 13: PROVISIONS

	Employee Entitlements	Total $
Opening balance at 1 July 2007	9,327	9,327
Additional provisions raised during the year	293	293
Amounts used	3,074	3,074
Balance at 30 June 2008	6,546	6,546

Analysis of Total Provisions	2008 $	2007 $
NON-CURRENT		
Employee benefits	6,546	6,253
Number of employees at year end	11	10

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1(h).

NOTE 14: OTHER CURRENT LIABILITIES

CURRENT		
Deferred income:		
- Subscriptions	1,263,510	1,178,816
- Excellence Award	20,437	70,257
- Ecosmart Project	(61,100)	58,060
Bryan Mason trust	8,101	9,801
	1,230,948	1,316,934

NOTE 15: RESERVES

(a) **Asset Revaluation Reserve**

The asset revaluation reserve records increases the carrying amount arising on revaluation of land and buildings.

(b) **Capital Profits Reserve**

The capital profits reserve records gain on disposal of capital assets.

	Note	2008 $	2007 $

NOTE 16: CAPITAL AND LEASING COMMITMENTS

		2008 $	2007 $
		17,001	55,810
(b) Finance lease commitments			
Payable - minimum lease payments			
- not later than 1 year		**11,483**	11,483
- later than 1 year but not later than 5 years		**36,453**	47,936

The operating lease comprises one novated lease. The lease payments are paid monthly in advance. The lease commenced in February 2006 for a period of 4 years. The lease allows the lessee (the employee) to purchase the vehicle at expiration date.

	2008 $	2007 $
Less future finance charges	**(5,930)**	(9,626)
Present value if minumum lease payments	**42,006**	49,793

The finance lease on the motor vehicle, which commenced in Oct 2006, is a 4 year lease. The equipment is being financed through CBFC Leasing Pty Ltd with lease payments paid monthly in advance.

NOTE 17: KEY MANAGEMENT PERSONNEL

The following Committee members were key management personnel of the Association:

W McKnight
R Ford
D Pierce
T Cottrell
N Lancefield
N Palmer
M Graham
D O'Brien
P Tobin
P Jinks

No remuneration was paid or payable to key management personnel.

	Note	2008 $	2007 $

NOTE 18: RELATED PARTY TRANSACTIONS

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

Transactions with related parties

(a) Committee members, directors and their related entities are able to use the services provided by the National Electrical Contractors Association. Such services are made available on terms and conditions no more favourable than those available to all other members.

(b) ElecNet (Aust) Pty Ltd is the trustee of the Electrical Industry Severance Scheme and is a related party to the Victorian Chapter. During the year, distribution of $1,594,535 (2007: $490,711) and directors fees of $157,093 (2007: $120,000) were received by the Chapter from the trust.

(c) The chapter remits subscriptions to the National Electrical Contractors Association – National Office on a yearly basis. The total amount of subscriptions remitted for the year was $253,617 (2007: $256,838).

(d) Receivable from related entities at year end:

	2008 $	2007 $
National Electrical Contractors Association – Queensland Chapter	130,000	130,000

NOTE 19: CASH FLOW INFORMATION

Reconciliation of Cash Flow from operations with Profit from ordinary activities

	2008	2007
Profit from ordinary activities after income tax	**1,691,339**	685,270
Non-cash flows in operating profit		
Depreciation	**78,478**	61,056
Movement in investment value	**254,431**	(101,266)
Movement in provisions	**(32,682)**	(50,489)
Loss on disposal of non-current assets	**-**	6,455
Change in assets and liabilites		
(Increase)/decrease in trade and other receivables	**104,483**	(240,878)
(Increase)/decrease in other current assets	**2,711**	(3,250)
(Increase)/decrease in inventories	**(44,676)**	(3,830)
Increase/(decrease) in trade and other payables	**219,394**	29,866
Increase/(decrease) in other current liabilities	**(84,286)**	124,139
Net cash provided by operating activities	**2,189,192**	507,073

NOTE 20: FINANCIAL RISK MANAGEMENT

a. **Financial Risk Management Policies**

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The Association does not have any derivative instruments at 30 June 2008.

i. Treasury Risk Management

The Chapter Council of the Association meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the Association in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Chapter Council operates under policies approved by the Chapter Council of the Association. Risk management policies are approved and reviewed by the Chapter Council on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

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

Interest rate risk

The Association is not exposed to fluctuations to interest rate risk. For further details on interest rate risk refer to note 20(c).

Foreign currency risk

The Association is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2008.

Credit risk is managed and reviewed regularly by the Chapter Council. It arises from exposures to customers and deposits with financial institutions.

The finance committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- all potential members are rated for credit worthiness taking into account their particular circumstance and financial standing; and
- customers that do not meet the Association's strict credit policies may only purchase in cash or using recognised credit cards.

NOTE 20: FINANCIAL RISK MANAGEMENT (CONT'D)

At year end the Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

Price risk

The Association is not exposed to any material commodity price risk.

The trade receivables balances at 30 June 2008 and 30 June 2007 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

b. **Financial Instrument Composition and Maturity Analysis**

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate	
	2008	2007	2008	2007	2008	2007
Financial Assets:	%	%	$	$	$	$
Cash at bank	4.7	4.1	1,769,801	1,369,229	-	-
Short term deposits	7.5	5.6	-	-	2,632,604	934,393
Trade and other receivables		-	-	-	-	-
Total Financial Assets:			1,769,801	1,369,229	2,632,604	934,393
Financial Liabilities:						
Trade and other payables		-	-	-	-	-
Finance lease	7	7	-	-	42,006	49,793
Total Financial Liabilities:			-	-	42,006	49,793

	Weighted Average Effective Interest Rate		Non-Interest Bearing		Total	
	2008	2007	2008	2007	2008	2007
Financial Assets:	%	%	$	$	$	$
Cash at bank			-	-	1,769,801	1,369,229
Short term deposits			-	-	2,632,604	934,393
Trade and other receivables			2,147,165	2,251,648	2,147,165	2,251,648
Total Financial Assets:			2,147,165	2,116,648	6,549,570	4,555,270
Financial Liabilities:						
Trade and other payables			1,142,094	921,000	1,142,094	921,000
Finance lease			-	-	42,006	49,793
Total Financial Liabilities:			1,142,094	921,000	1,184,100	970,793

NOTE 20: FINANCIAL INSTRUMENTS (CONT'D)

(c) Net Fair Value

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

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

Details of aggregate net fair value and carrying amounts of financial assets and financial liabilities at balance date:

	2008		2007	
	Carrying Amount $	Net Fair Value $	Carrying Amount $	Net Fair Value $
Financial assets				
Deposits and investment at fair value	3,582,660	3,582,660	2,138,880	2,138,880
Trade and other receivables	2,139,811	2,139,811	2,246,648	2,246,648
Total financial assets	5,722,471	5,722,471	4,385,528	4,385,528
Financial liabilities				
Trade and other payables	1,246,713	1,246,713	1,057,874	1,057,874
Lease liabilities	42,006	42,006	49,793	49,793
Total financial liabilities	1,288,719	1,288,719	1,107,667	1,107,667

NOTE 20: FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity analysis

Interest rate risk

The Association has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2008	2007
	$	$
Change in profit		
— Increase in interest rate by 0.5%	22,012	11,518
— Decrease in interest rate by 0.5%	(22,012)	(11,518)
Change in equity		
— Increase in interest rate by 0.5%	22,012	11,518
— Decrease in interest rate by 0.5%	(22,012)	(11,518)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the Association is not exposed to foreign currency fluctuations.

Capital Management

The committee members control the capital of the Association in order to maintain a good debt-to-equity ratio and to ensure that the Association can fund its operations and continue as a going concern.

The Association's debt and capital includes financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

The committee members effectively manage the Association's capital by assessing the Association's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Association since the prior year. This strategy is to ensure that adequate working capital facilities are maintained.

NOTE 21: SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment, being an employer organisation in the electrical and communications contracting industry operating as a Victorian Chapter of NECA.

NOTE 22: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association.

NOTE 23: ACCOUNTING POLICY AMENDMENTS

The following Australian Accounting Standards issued or amended and are applicable to the Association but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2007–3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations AASB 6: Exploration for and Evaluation of Mineral AASB 102: Inventories AASB 107: Cash Flow Statements AASB 119: Employee Benefits AASB 127: Consolidated and Separate Financial Statements AASB 134: Interim Financial Reporting AASB 136: Impairment of Assets AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report, as the Association does not fall within the scope of AASB 8.	1.1.2009	1.7.2009
AASB 8 Operating Segments	AASB 114: Segment Reporting	As above	1.1.2009	1.7.2009
AASB 2007–6 Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 107: Cash Flow Statements AASB 111: Construction Contracts AASB 116: Property, Plant and Equipment AASB 138: Intangible Assets	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the Association as it already capitalise borrowing costs related to qualifying assets.	1.1.2009	1.7.2009
AASB 123 Borrowing Costs	AASB 123: Borrowing Costs	As above	1.1.2009	1.7.2009

NOTE 23: ACCOUNTING POLICY AMENDMENTS

AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1.1.2009	1.7.2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1.1.2009	1.7.2009

NOTE 24: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

National Electrical Contractors Association – Victorian Chapter
Level 12, 222 Kings Way
South Melbourne VIC 3205

NOTE 25: RAO s272 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

Bentleys
Thinking ahead

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

We have audited the accompanying financial report of National Electrical Contractors Association – Victorian Chapter, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement.

The responsibility of the Committee of Management for the Financial Report

The committee of management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - VICTORIAN CHAPTER (Continued)

Independence
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion
In our opinion, the financial report presents fairly the financial position of National Electrical Contractors Association – Victorian Chapter as of 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996, and other mandatory professional reporting requirements in Australia.

Bentleys Melbourne Partnership

BENTLEYS MELBOURNE PARTNERSHIP
CHARTERED ACCOUNTANTS

MARTIN FENSOME
PARTNER

Dated in Melbourne on this 26 day of September 2008