



9 December 2009

Mr Wes McKnight
President
The National Electrical Contractors Association
Victorian Chapter
Level 12, 222 Kingsway South
SOUTH MELBOURNE VIC 3205

Fair Work
Australia

Email - necavic@neca.asn.au
Fax - 0396455544@faxmaker.com

Dear Mr McKnight,

Attention: Mr Philip Green, Chief Executive Officer

**Re: Financial Report - year ending 30 June 2009 - FR2009/287
Fair Work (Registered Organisations) Act 2009 (RO Act)**

The financial report for the Victorian Chapter of NECA for year ending 30 June 2009 was lodged on 24 November 2009.

The documents have been filed. The following improvements should be made in future years.

Designated Officer's Certificate

The Designated Officer's Certificate must always be signed by an elected officer – see sections 6, 9, 143, 243 and 268 of the RO Act.

Approved Auditor

The Auditor's Report should confirm that the auditor is an 'approved auditor' – i.e. that the auditor is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate – see s256 and Reg 4 of the RO Regulations.

Expenditure

The accounts should *separately* disclose the expenditure for (1. legal costs; (2. fees/allowances paid to persons for attending external conferences/meetings; and (3. expenses incurred for holding internal conferences/meetings – see item 11 of the s.253 Reporting Guidelines.

Committee of Management Statement

This statement must also always confirm that '*the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate*' – see Item 25(c) of the s.253 Reporting Guidelines.

Operating Report

The Operating Report must state whether any *officer or member* of the Chapter is a director or trustee of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer *or* member of a registered organisation – see s254 of the RO Act.

If you have any queries regarding the above please contact me.

Yours faithfully,

Andrew Schultz
Tribunal Service & Organisations

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Melbourne VIC 3000
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Victoria chapter

national electrical and communications association

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19 November, 2009

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE, 3001

Dear Sir/Madam,

Please find attached the audited financial documents as required to be lodged under the Fair Work Act, with regard to the financial year ended 30 June 2009.

These financial accounts were endorsed by resolution of the NECA Victoria Council on 8 September 2009 and by the Annual General Meeting of members held on 9 November 2009.

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:FIGCORRESPONDENCELETTER191109.1

NECA National Ph: 02 9439 8523

NECA Victoria Ph: 03 9645 5533

NECA Western Australia Ph: 08 9321 8637

NECA New South Wales Ph: 02 9744 1099

NECA Tasmania Ph: 03 6236 3656

NECA Northern Territory Ph: 08 8922 9666

NECA Australian Capital Territory Ph: 02 6280 5580

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NECA Queensland Ph: 1300 794 846

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

TABLE OF CONTENTS

Operating Report by the Committee of Management	1 - 2
Committee of Management Statement	3
Designated Officer's certificate	4
Financial Report	
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9 – 25
Independent Audit Report	26 – 27
Additional Information	28 – 30

**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 2009.

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
R. Ford	N. Lancefield	D. O'Brien
D. Pierce	T. Cottrell	P. Tobin

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 \$27,918 (2008: \$1,691,339).

Superannuation Trustees

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

After Balance Date Events

After the financial year ended 30 June 2009, the Association disposed of its interest in the investment fund in order to reduce the risk to which it is currently exposed.

Number of Members

The Association had 1,183 (2008: 1,174) members at financial year end.

Number of Employees

The Association had 11 (2008: 11) employees at financial year end.

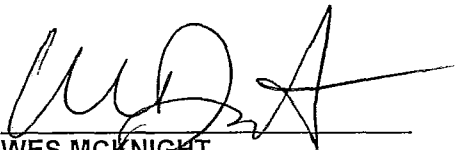
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

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 *8th* day of *September* 2009

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

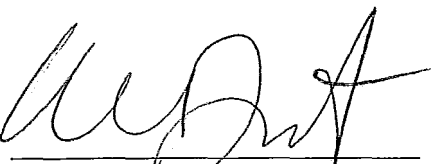
Committee of Management Statement

On 8th September 2009 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 2009.


The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes 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 *8th* day of *September* 2009

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

Chief Executive 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 section 268 of the RAO Schedule;
- (b) that the full report was provided to members on 15 September 2009;
- (c) that the full report was presented to a general meeting of the members of the reporting unit on 9 November 2009; 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 *19th* day of *November* 2009

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

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

	Note	2009 \$	2008 \$
Revenue	2	1,896,537	1,906,524
Other income	2	667,308	2,270,132
Affiliation subscription fees		(275,534)	(262,468)
Conferences, meetings and training		(248,787)	(142,561)
Cost of sales		(51,363)	(167,646)
Consultants		(81,094)	(41,882)
Computer consulting and maintenance		(34,688)	(28,040)
Depreciation expenses	3	(87,571)	(78,478)
Ecosmart accreditation project		(84,132)	-
Finance costs	3	(23,637)	(21,818)
Lease expense		(27,459)	(50,292)
Motor vehicle expenses		(51,314)	(47,515)
Salaries, employee benefits and related expenses		(956,824)	(918,429)
Travel and accomodation		(69,189)	(58,508)
Postage, printing and stationery		(115,170)	(144,571)
Investment write-down		(184,479)	(254,431)
Other expenses		(244,686)	(268,678)
Profit before income tax		27,918	1,691,339
Income tax expense	1(a)	-	-
Net profit from ordinary activities		27,918	1,691,339

The accompanying notes form part of these financial statements

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	4,683,108	4,402,405
Trade and other receivables	6	1,910,466	2,009,811
Inventories	7	31,015	62,047
Financial assets	8	765,577	950,056
Other current assets	9	-	9,630
Total Current Assets		<u>7,390,166</u>	<u>7,433,949</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	130,000	130,000
Property, Plant & Equipment	10	1,478,669	1,508,376
Total Non-Current Assets		<u>1,608,669</u>	<u>1,638,376</u>
Total Assets		<u>8,998,835</u>	<u>9,072,325</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,071,659	1,246,713
Short term borrowings	12	9,100	7,787
Other current liabilities	14	1,305,807	1,230,948
Total Current Liabilities		<u>2,386,566</u>	<u>2,485,448</u>
Non-Current Liabilities			
Long term borrowings	12	24,487	34,219
Long term provisions	13	13,752	6,546
Total Non-Current Liabilities		<u>38,239</u>	<u>40,765</u>
Total Liabilities		<u>2,424,805</u>	<u>2,526,213</u>
NET ASSETS		<u>6,574,030</u>	<u>6,546,112</u>
MEMBERS' FUNDS			
Retained profits		5,506,920	5,479,002
Reserves		1,067,110	1,067,110
TOTAL MEMBERS' FUNDS		<u>6,574,030</u>	<u>6,546,112</u>

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Asset revaluation reserve \$	Capital profits reserve \$	Retained earnings \$	Total \$
Balance at 30 June 2007	486,830	580,280	3,787,663	4,854,773
Transfers to and from reserves	-	-	-	-
Revaluation increment	-	-	-	-
Profit for the year	-	-	1,691,339	1,691,339
Balance at 30 June 2008	486,830	580,280	5,479,002	6,546,112
Transfers to and from reserves	-	-	-	-
Revaluation increment	-	-	-	-
Profit for the year	-	-	27,918	27,918
Balance at 30 June 2009	486,830	580,280	5,506,920	6,574,030

The accompanying notes form part of these financial statements.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts in the course of operations		2,325,017	3,885,328
Payment to suppliers and employees		(2,313,479)	(1,980,561)
Interest received		314,310	284,725
Net cash provided by operating activities	19	325,848	2,189,492
 Cash flows from investing activities			
Payment for plant and equipment		(73,145)	(82,622)
Payment for finance lease		-	(7,787)
Proceeds from sale of non-current assets		28,000	-
Net cash provided by investing activities		(45,145)	(90,409)
 Net increase/(decrease) in cash held			
		280,703	2,098,783
Cash at beginning of financial year		4,402,405	2,303,622
Cash at end of financial year	5	4,683,108	4,402,405

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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, accumulated depreciation applies to buildings and impairment losses apply to freehold land and buildings.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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 or 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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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.

(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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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 2009.

The financial report was authorised for issue on 8 September 2009.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
NOTE 2. REVENUE			
Operating activities			
- Member subscriptions		1,245,882	1,183,438
- Sale of products and services		538,819	601,814
Petrol administration fee		111,836	121,272
		1,896,537	1,906,524
Non-operating activities			
Director fees		120,000	157,093
Interest from other corporations		314,310	284,725
Distribution - Protect Severance Scheme		-	1,594,535
Profit on disposal of asset		12,719	-
Other revenue		220,279	233,779
		667,308	2,270,132
Total Revenue		2,563,845	4,176,656

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Expenses

Affiliation fees	266,274	253,617
Conferences and meeting	248,787	142,561
Depreciation of:		
- Property, plant and equipment	87,571	78,478
Finance charges	23,637	21,818
Legal and professional fees	76,914	97,043
Loss on disposal of assets	-	-
Movement in investment value	184,479	254,431
Rental expense on operating leases		
- Minimum lease payments	27,459	50,292
	27,459	50,292

NOTE 4: AUDITOR'S REMUNERATION

Remuneration of the auditor of the Association for:
- auditing or reviewing the financial report

	12,000	12,000
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**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash at bank		1,894,988	1,769,801
Short term deposits		2,788,120	2,632,604
		4,683,108	4,402,405

The effective interest rate on cash at bank deposits was 0.25% (2008: 4.5%) and the short term deposits was 3.7% (2008:7.5%).

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT

General membership		1,235,075	1,210,907
Petrol scheme		574,815	731,013
Other debtors		119,074	75,245
		1,928,964	2,017,165
Less Provision for doubtful debts		(18,498)	(7,354)
		1,910,466	2,009,811

NON-CURRENT

Loan due from related entity		130,000	130,000
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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 2009 was \$18,498 (2008: \$7,354).

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

CURRENT

Finished Goods at cost		31,015	62,047
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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 8: FINANCIAL ASSETS			
CURRENT			
Financial assets at fair value through Profit & Loss			
Investment Fund - at fair value		765,577	950,056
		<u>765,577</u>	<u>950,056</u>
NOTE 9: OTHER CURRENT ASSETS			
Prepayments		-	9,630
		<u>-</u>	<u>9,630</u>
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
Building			
At valuation - 30 June 2007	10(a)	1,100,000	1,100,000
Less accumulated depreciation		(55,000)	(27,500)
		<u>1,045,000</u>	<u>1,072,500</u>
PLANT AND EQUIPMENT			
Building Improvement			
At cost		292,798	292,798
Less accumulated depreciation		(17,708)	(10,392)
		<u>275,090</u>	<u>282,406</u>
Computer & office equipment			
At cost		78,240	70,108
Less accumulated depreciation		(64,558)	(52,224)
		<u>13,682</u>	<u>17,884</u>
Furniture & fittings			
At cost		64,699	64,699
Less accumulated depreciation		(17,164)	(12,310)
		<u>47,535</u>	<u>52,389</u>
Plant & equipment			
At cost		9,433	9,433
Less accumulated depreciation		(8,416)	(8,088)
		<u>1,017</u>	<u>1,345</u>
Leased Motor vehicles			
At cost		147,563	115,150
Less accumulated depreciation		(51,218)	(33,298)
		<u>96,345</u>	<u>81,852</u>
Total Property, Plant and Equipment		<u><u>1,478,669</u></u>	<u><u>1,508,376</u></u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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 Practising 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 \$	Motor Vehicle \$	Total \$
Balance at the beginning of the year	1,072,500	282,406	17,884	52,389	1,345	81,852	1,508,376
Revaluation increment	-	-	-	-	-	-	-
Additions	-	-	8,132	-	-	65,013	73,145
Disposals	-	-	-	-	-	15,281	15,281
Depreciation expense	27,500	7,316	12,334	4,854	328	35,239	87,571
Carrying amounts at the end of the year	<u>1,045,000</u>	<u>275,090</u>	<u>13,682</u>	<u>47,535</u>	<u>1,017</u>	<u>96,345</u>	<u>1,478,669</u>

Note	2009 \$	2008 \$
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NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors and accruals	67,323	133,039
Petrol scheme creditor	574,815	731,013
Goods and services tax payable	127,621	119,103
Security Deposits	169,578	156,078
Fringe benefit tax	2,752	2,861
Short-term employee benefits	129,570	104,619
	<u>1,071,659</u>	<u>1,246,713</u>

NOTE 12: SHORT TERM BORROWINGS

CURRENT

Lease liability	16(b)	<u>9,100</u>	7,787
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NON CURRENT

Lease liability	16(b)	<u>24,487</u>	34,219
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NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	2009	2008
Note	\$	\$
NOTE 13: PROVISIONS		
NON-CURRENT		
Opening balance	6,546	9,327
Additional provisions raised during the year	7,206	293
Amounts used	-	3,074
Closing balance	13,752	6,546

Analysis of Total Provisions

NON-CURRENT		
Employee benefits	13,752	6,546
Number of employees at year end	11	11

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	1,281,167	1,263,510
- Excellence Award	22,789	20,437
- Ecosmart Project	-	(61,100)
Bryan Mason trust	1,851	8,101
	1,305,807	1,230,948

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 16: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancelable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than 1 year		-	17,001
- later than 1 but not later than 5 years		-	-
		-	17,001

The operating lease comprises one novated lease, which has expired during the year.

(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		24,970	36,453
Minimum lease payments		36,453	47,936
Less future finance charges		(2,866)	(5,930)
Present value if minimum lease payments		33,587	42,006

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

No remuneration was paid or payable to key management personnel.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
Note	\$	\$

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 \$Nil (2008: \$1,594,535) and directors fees of \$120,000 (2008: \$157,093) 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 \$266,274 (2008: \$253,617).

(d) Receivable from related entities at year end:

	2009	2008
	\$	\$
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

Profit from ordinary activities after income tax	27,918	1,691,339
Non-cash flows in operating profit		
Depreciation	87,571	78,478
Movement in investment value	184,479	254,431
Movement in provisions	11,144	(32,682)
Gain on disposal of non-current assets	(12,719)	-
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	88,201	104,483
(Increase)/decrease in other current assets	9,630	2,711
(Increase)/decrease in inventories	31,032	(44,676)
Increase/(decrease) in trade and other payables	(221,914)	219,394
Increase/(decrease) in other current liabilities	120,506	(84,286)
Net cash provided by operating activities	325,848	2,189,192

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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 2009.

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 2009.

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.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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 2009 and 30 June 2008 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	
	2009	2008	2009	2008	2009	2008
Financial Assets:	%	%	\$	\$	\$	\$
Cash at bank	0.25	4.7	4,683,108	1,769,801	-	-
Short term deposits	3.7	7.5	-	-	2,788,120	2,632,604
Investment	(13.80)	(14.70)	765,577	950,056	-	-
Trade and other receivables	-	-	-	-	-	-
Total Financial Assets:			5,448,685	2,719,857	2,788,120	2,632,604
Financial Liabilities:						
Trade and other payables	-	-	-	-	-	-
Finance lease	7	7	-	-	33,587	42,006
Total Financial Liabilities:			-	-	33,587	42,006

	Weighted Average					
	Effective Interest Rate		Non-Interest Bearing		Total	
	2009	2008	2009	2008	2009	2008
Financial Assets:	%	%	\$	\$	\$	\$
Cash at bank	0.25	4.7	-	-	4,683,108	1,769,801
Short term deposits	3.7	7.5	-	-	2,788,120	2,632,604
Investment	(13.80)	(14.70)	-	-	765,577	950,056
Trade and other receivables	-	-	2,058,964	2,147,165	2,058,964	2,147,165
Total Financial Assets:			2,058,964	2,147,165	10,295,769	7,499,626
Financial Liabilities:						
Trade and other payables	-	-	942,089	1,142,094	942,089	1,142,094
Finance lease	7	7	-	-	33,587	42,006
Total Financial Liabilities:			942,089	1,142,094	975,676	1,184,100

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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:

	2009		2008	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Investment at fair value	765,577	765,577	950,056	950,056
Trade and other receivables	2,040,466	2,040,466	2,139,811	2,139,811
Total financial assets	<u>2,806,043</u>	<u>2,806,043</u>	<u>3,089,867</u>	<u>3,089,867</u>
Financial liabilities				
Trade and other payables	1,071,659	1,071,659	1,246,713	1,246,713
Lease liabilities	33,587	33,587	42,006	42,006
Total financial liabilities	<u>1,105,246</u>	<u>1,105,246</u>	<u>1,288,719</u>	<u>1,288,719</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

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 2009, 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:

	2009	2008
	\$	\$
Change in profit		
— Increase in interest rate by 3%	140,478	132,072
— Decrease in interest rate by 3%	(140,478)	(132,072)
Change in equity		
— Increase in interest rate by 3%	140,478	132,072
— Decrease in interest rate by 3%	(140,478)	(132,072)

The 3% sensitivity is based upon an analysis of interest rate changes experienced by the Association over the last few years as well as recent reports by the Reserve Bank of Australia. The analysis was 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. Furthermore, no sensitivity analysis was carried out in relation to the expected returns on invested funds because the portfolio was liquidated after year end.

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

After the financial year ended 30 June 2009, the Association disposed of its interest in the investment fund in order to reduce the risk to which it is currently exposed.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
VICTORIAN CHAPTER**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 23: 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 24: 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).

INDEPENDENT AUDIT REPORT**TO THE MEMBERS OF THE NATIONAL ELECTRICAL & COMMUNICATIONS ASSOCIATION –
VIC CHAPTER**mel@whk.com.au
www.whk.com.au**Scope**WHK Horwath Melbourne
41 099 415 845*The financial report and National Executives' responsibility:*

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, accompanying notes to the financial statements, and the statement by members of the committee for the National Executive of the National Electrical & Communications Association - VIC Chapter (the Association), for the year ended 30 June 2009.

The Committee of the Association is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Workplace Relations Act 1996*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Workplace Relations Act 1996*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Association's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENT AUDIT REPORT (CONTINUED)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and *section 257 of the Workplace Relations Act 1996*.

Audit Opinion

In our opinion, the general purpose financial report of the National Electrical & Communications Association - VIC Chapter for the year ended 30 June 2009, presents fairly in accordance with applicable Australian Accounting Standards, 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.

WHK HORWATH MELBOURNE



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**Peter Sexton – Chartered Accountant
Partner**

Dated: 8th September 2009