



FAIR WORK
AUSTRALIA

19 November 2010

Kyle Kutasi
Secretary
The National Electrical Contractors Association
Western Australia Chapter
PO Box 782
BALCATTWA WA 6914

Dear Mr Kutasi,

Application for certificate stating financial affairs of Chapter encompassed by financial affairs of associated State body for year ended 30 June 2010

I refer to your application of 5 November 2010 lodged pursuant to s269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the Western Australia Chapter of The National Electrical Contractors Association for the financial year ended 30 June 2010. The application was lodged with Fair Work Australia on 15 November 2010.

I have granted the application. My certificate is enclosed.

Yours sincerely,

Terry Nassios
Delegate of the General Manager
Fair Work Australia

FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

s.269(2)(a) - Reporting unit's financial affairs encompassed by associated State body

The National Electrical Contractors Association

CERTIFICATE

On 15 November 2010 an application was made under s269(2)(a) of the Act by the Western Australia Chapter ("the Chapter") of the abovenamed organisation for a certificate stating that the financial affairs of the Chapter are encompassed by the financial affairs of the Electrical and Communications Association of Western Australia (Union of Employers) ("the Association"), an associated State body, in respect of the financial year ended 30 June 2010.

On 15 November 2010, the Chapter lodged a copy of the audited accounts of the Association with Fair Work Australia.

I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1979* (WA), a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the Chapter; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the Chapter; and
- is an associated State body.

I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited and provided a copy of the audited accounts to its members; and
- any members of the Chapter who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the Chapter who are members of the Association; and
- a report under s254 of the Act has been prepared in respect of the activities of the Chapter and has been provided to members of the Chapter with copies of the accounts.

I am satisfied that the financial affairs of the Chapter in respect of the financial year ended 30 June 2010 are encompassed by the financial affairs of the Association and I certify accordingly under s269(2)(a) of the Act.



T. Nassios
Delegate of the General Manager
Fair Work Australia

19 November 2010

18 November 2010

General Manager
Attn: Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Mr Pfeiffer,

**National Electrical Contractors Association, The-Western Australia Chapter
Annual Returns for Financial Year Ending 30 June 2010**

The National Electrical Contractors Association, Western Australia Chapter makes application pursuant to Section 269 of the *Fair Work (Registered Organisations) Act 2009* ('the Act') to be taken to have satisfied Part 3 of Chapter 8 of the Act for the financial year ending **30 June 2010**.

Relief Sought

- That the General Manager issue a certificate stating that the financial affairs of the Reporting Unit are encompassed by the financial affairs of the associated State body.
- That the Reporting Unit is taken to have satisfied Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Grounds and Reasons

Section 269 of the Act applies to The National Electrical Contractors Association, Western Australia Chapter (the 'Reporting Unit') on the following basis:

1. The Electrical & Communications Association of Western Australia (the 'associated State body') is registered as an industrial organisation pursuant to the *Industrial Relations Act 1979 (WA)*.
2. The associated State body is composed of substantially the same members as the Reporting Unit.
3. The officers of the associated State body are substantially the same as the officers of the Reporting Unit.

The Reporting Unit is taken to have satisfied Part 3 of Chapter 8 of the Act on the following basis:

- a) The associated State body has, in accordance with the *Industrial Relations Act 1979 (WA)* prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members, and lodged the audited accounts with the Western Australian Industrial Registry;
- b) A copy of the audited accounts are attached hereto (See Annexure 1);
- c) All the members of the Reporting Unit and the associated State body, at substantially the same time, have been provided a copy of the Auditor's Report, Balance Sheet and Statement of Income and Expenditure, free of charge, in accordance with Division 4 of the *Industrial Relations Act 1979 (WA)*; and
- d) All members of the Reporting Unit have been provided with a copy of the Operating Report. A copy of the Operating Report is attached hereto (See Annexure 2).

The National Electrical Contractors Association, Western Australia Chapter submits that based on the grounds and reasons stated herein and the supporting documentation, the Branch satisfies section 269 of the Act and consequently seeks the relief as sought.

Should you wish to discuss this or any other matter, please do not hesitate to contact this office at any time.

Regards,



Kyle Kutasi
Secretary

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of The *Electrical and Communications Association of Western Australia* which comprises the following:-

Electrical Contractors Association

Detailed Income Statement
Summary Income Statement
Balance Sheet
Statement of Cash Flows
Notes to the financial statements

Electrical Contractors Association Severance Schemes

Detailed Income Statement
Balance Sheet
Notes to the financial statements

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Industrial Relations Act 1979* and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the 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, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the *Industrial Relations Act 1979*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Standards Legislation



Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of The Electrical and Communications Association of Western Australia presents fairly, in all material respects the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Inherent Uncertainty

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 11(a) to the financial statements, recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.

UTC Integrative Solutions

U-Li Cheong

Principal

Address: Suite 4, 20 Kearns Crescent ARDROSS WA 6153

Dated this 17th day of September 2010

5 November 2010



The Industrial Registrar
Attn: Robert Pfeiffer
Statutory Services Branch
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Mr Pfeiffer,

**National Electrical Contractors Association, The-Western Australia Chapter
Annual Returns for Financial Year Ending 30 June 2010**

The National Electrical Contractors Association, Western Australia Chapter makes application pursuant to Section 269 of Schedule 1 of the *Fair Work (Registered Organisations) Act 2009* to be taken to have satisfied Part 3 of Schedule 1 for the financial year ending **30 June 2010**.

Relief Sought

- That the Registrar issue a certificate stating that the financial affairs of the Reporting Unit are encompassed by the financial affairs of the associated State body.
- That the Reporting Unit is taken to have satisfied Part 3 of Schedule 1 of the *Fair Work (Registered Organisations) Act 2009*.

Grounds and Reasons

Section 269 of Schedule 1 applies to The National Electrical Contractors Association, Western Australia Chapter (the 'Reporting Unit') on the following basis:

1. The Electrical & Communications Association of Western Australia (the 'associated State body') is registered as an industrial organisation pursuant to the *Industrial Relations Act 1979 (WA)*.
2. The associated State body is composed of substantially the same members as the Reporting Unit.
3. The officers of the associated State body are substantially the same as the officers of the Reporting Unit.

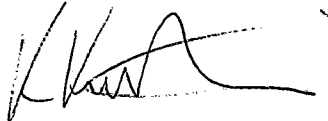
The Reporting Unit is taken to have satisfied Part 3 of Schedule 1 on the following basis:

- a) The associated State body has, in accordance with the *Industrial Relations Act 1979 (WA)* prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members, and lodged the audited accounts with the Western Australian Industrial Registry;
- b) A copy of the audited accounts are attached hereto (See Annexure 1);
- c) All the members of the Reporting Unit and the associated State body, at substantially the same time, have been provided a copy of the Auditor's Report, Balance Sheet and Statement of Income and Expenditure, free of charge, in accordance with Division 4 of the *Industrial Relations Act 1979 (WA)*; and
- d) All members of the Reporting Unit have been provided with a copy of the Operating Report. A copy of the Operating Report is attached hereto (See Annexure 2).

The National Electrical Contractors Association, Western Australia Chapter submits that based on the grounds and reasons stated herein and the supporting documentation, the Branch satisfies section 269 of Schedule 1 and consequently seeks the relief as sought.

Should you wish to discuss this or any other matter, please do not hesitate to contact this office at any time.

Regards,



Kyle Kutasi
Secretary

Appendix 1

**THE ELECTRICAL AND COMMUNICATIONS
ASSOCIATION OF WESTERN AUSTRALIA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, WESTERN AUSTRALIA CHAPTER

Operating report for year ended 30 June 2010 – s254

Principal Activities

The principal activities of the Chapter during the reporting period were to provide services and representation to the members, consistent with the objects of the Association.

The Chapter's principal activities result in improving the business environment for the membership, particularly with respect to negotiated and arbitrated employee wages outcomes.

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

Manner of Resignation

Members may resign from the Chapter in accordance with Rule 7, which reads as follows:

- a) *Subject to Rule 8 below, a member, including a provisional member, associate member and a Life member, may discontinue his membership with the Association by giving written notice of resignation to the Association and serving such notice of resignation on the Association by:
 - i) *delivering the notice personally to the registered office of the Association, or*
 - ii) *sending by certified mail to the address mentioned in sub paragraph (i) or to the address of the Association as ascertained by referring to a current directory of telephone numbers.*
 - iii) *In a format approved by the Management Committee.**
- b) *The notice of resignation takes effect on the day on which it was served on the Association or on a later day specified in the notice.*
- c) *A member who has ceased to be eligible to be a member of the Association or who has become disqualified from continuing, as a member shall upon request being made to the Secretary and with the approval of the Management Committee be issued with a notification of clearance and thereupon membership of such member shall terminate.*
- d) *Subject to Rule 8, nothing in this Rule prevents the Association from recovering all unpaid fees, fines, levies or other dues payable by a member under the Rules to the end of the period covered by the notice or upon the date of issue of a clearance card.*

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme

No officers of the Chapter held positions of Trustee or director of a Trustee Company of a superannuation entity or exempt public sector superannuation scheme.

Number of Members

The number of members recorded on the register of members of the Chapter as at the end of the reporting period was 650.

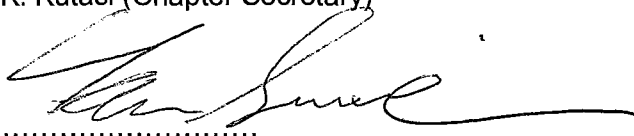
Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Chapter was one (1).

Members of Committee of Management

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

- J. Sweeting (Chapter President)
- I. Swain (Chapter Vice President)
- G. Mizza (Chapter Treasurer)
- W. Carter (Chapter Executive)
- Z. Grego (Chapter Executive)
- R. Hatherley (Chapter Executive)
- M. Pearson (Chapter Executive)
- M. Green (Chapter Executive)
- S. Higgins (Chapter Executive)
- P. Mannion (Chapter Executive)
- K. Kutasi (Chapter Secretary)



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Signed
Ian Swain
Chapter President

Date: 10 September 2010

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Management Committee Statement to Members

Audit Report

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2010**

INCOME	Note	2010	2009
		\$	\$
Clothing Sales		7,299	27,519
Commissions		107,764	81,874
Conference Income		94,899	138,102
Financial Administration		27,840	42,825
Group Management Reimbursement		455,241	209,238
Interest Received		17,969	20,504
Members Activities Revenue		85,881	171,104
NECA News		26,705	71,426
OSH & NESMA		46,039	-
Redundancy – Admin Fee		60,000	49,000
Rent		278,721	183,500
SAA Publications		252,898	96,577
Severance Payment Scheme – Admin Fee		60,000	49,000
Severance Scheme – Admin Fee		60,000	49,000
Sponsorship		97,534	5,000
Stationery		7,215	9,097
Subscriptions		714,366	532,596
Sundry		-	416
		<u>2,400,371</u>	<u>1,736,778</u>

The accompanying notes form part of these financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2010**

EXPENSES	Note	2010	2009
		\$	\$
Accommodation		36,299	7,033
Accounting Fees / EGT Recharge		66,952	40,760
Audit Fees		6,310	5,600
Bad Debts		782	16,764
Bank Charges		4,433	5,707
CEO Expense		423,454	245,647
Cleaning		-	7,791
Clothing Purchases		5,277	23,909
Conference Expenditure		64,148	129,040
Consultancy		-	11,907
Courier Services		3,014	2,624
Database Maintenance		71,227	52,028
Depreciation		46,076	54,780
Electricity		-	4,933
Fringe Benefits Tax		16,571	13,852
Fuel Purchases		(2,427)	(2,510)
General Expenses		7,102	38,861
Insurance		18,823	14,122
Legal Expenses		18,436	14,130
Marketing		35,605	36,160
Meeting Expenses		1,283	1,969
Members Activities Expenses		329,575	177,744
Motor Vehicle Expenses		17,173	12,062
National Meetings		1,954	-
Office Wages		517,598	412,853
Postage		5,352	18,444
Printing & Stationery		-	15,086
Provisions for Annual & Long Service Leave		2,063	3,363
Publications		614	23,823
Rates and Taxes		-	57,885
Record Storage		1,018	2,449
Repairs and Maintenance		-	10,664

The accompanying notes form part of these financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2010**

EXPENSES	Note	2010	2009
		\$	\$
Resale – Standards		278,144	68,973
Software and Systems Support		23,652	30,650
Sponsorship		700	-
Subscriptions		133,485	114,271
Staff Recruitment and Training		16,837	34,727
Staff Superannuation		45,536	35,052
Telephone		18,155	30,182
Travel, Accommodation and Entertainment		47,476	31,284
		<u>2,262,697</u>	<u>1,804,619</u>
Profit / (Loss) before income tax		137,674	(67,841)
Income tax expense		-	-
Profit / (Loss) after income tax		<u><u>137,674</u></u>	<u><u>(67,841)</u></u>

The accompanying notes form part of these financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SUMMARY INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2010**

	2010	2009
	\$	\$
INCOME		
Severance Schemes – Admin Fee	120,000	98,000
Interest Received	17,969	20,504
Rent	278,721	183,500
Subscriptions	714,366	532,596
Commissions	107,764	81,874
Redundancy Scheme – Admin Fee	60,000	49,000
Financial Administration	27,840	42,825
Sponsorship	97,534	5,000
Other Income	976,177	723,479
	<u>2,400,371</u>	<u>1,736,778</u>
 LESS:		
Expenditure – wages, office expenses & other outgoings	2,213,776	1,729,712
Bad Debts	782	16,764
Depreciation	46,076	54,780
Provision for Annual & Long Service Leave	2,063	3,363
	<u>2,262,697</u>	<u>1,804,619</u>
 Profit / (Loss) after income tax	137,674	(129,194)
Retained profits at beginning of year	4,881,560	4,949,401
Retained profits at end of year	<u>5,019,234</u>	<u>4,881,560</u>

The accompanying notes form part of these financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

BALANCE STATEMENT AS AT 30 JUNE 2010

	Notes	2010 \$	2009 \$
EQUITY			
Retained Earnings		5,019,234	4,881,560
Reserves		856,937	856,937
		<u>5,876,171</u>	<u>5,738,497</u>
Represented by: -			
CURRENT ASSETS			
GST Input Credits		160,968	104,275
Sundry Debtors		775,713	454,572
Short Term Deposits and Bank	2	789,050	774,010
Petty Cash Imprest		500	348
Redundancy Payment Investment	3	816,684	793,148
Severance Administration Scheme (Old)	3	635,002	720,165
Severance Payment Scheme (New)	3	2,274,117	2,021,299
Prepayments		81,911	50,834
Financial Asset	4	917,554	897,937
Loan - NECA WA Group Property Trust	5	5,772	-
		<u>6,457,271</u>	<u>5,816,588</u>
LESS: CURRENT LIABILITIES			
GST Charged		195,061	106,142
Income Received in Advance		793,720	603,558
Review Magazine		-	(3,832)
Petrol Security Deposits		90,692	83,092
Provision for Annual & Long Service Leave		37,390	29,398
Redundancy Payment Administration	3	816,684	793,148
Severance Administration Scheme (Old)	3	635,002	720,165
Severance Payment Scheme (New)	3	2,274,117	2,021,299
Sundry Creditors		468,089	103,313
Financial Liability	6	401,777	743,333
		<u>5,712,532</u>	<u>5,199,616</u>
Net Current Assets		744,739	616,972
ADD: NON-CURRENT ASSETS			
Property, plant and equipment	7	1,131,432	1,121,525
Investment Property	8	4,000,000	4,000,000
		<u>5,131,432</u>	<u>5,121,525</u>
NET ASSETS		<u>5,876,171</u>	<u>5,738,497</u>

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2010	2009
		\$	\$
Receipts from Operations		2,016,764	1,542,571
Payments to suppliers and employees		(1,600,476)	(1,159,211)
Interest received		17,969	20,504
Bad debts written off		(782)	(16,764)
Net cash inflow from operating activities		<u>433,475</u>	<u>387,100</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and motor vehicles		(84,112)	(34,955)
Proceeds from sale of property, plant and equipment, and motor vehicles		26,850	-
Payment for investments		(19,617)	(61,352)
Net cash outflow from investing activities		<u>(76,879)</u>	<u>(96,307)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(341,556)	(45,335)
Net cash inflow from financing activities		<u>(341,556)</u>	<u>(45,335)</u>
Net increase in cash held		15,040	245,458
Cash at the beginning of the financial year		<u>774,010</u>	<u>528,552</u>
Cash at the end of the financial year		<u>789,050</u>	<u>774,010</u>
 RECONCILIATION OF SURPLUS NET CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before income tax		137,674	(67,841)
Plus (minus) non-cash items:			
Depreciation		46,076	54,780
Fixed assets written off		-	5,698
(Gain) / Loss on sale of non-current assets		918	-
Change in assets and liabilities			
(Increase) in receivables		(383,606)	(278,477)
(Increase) decrease in other current assets		(31,077)	104,771
Increase (decrease) in creditors		655,498	559,444
Increase in provisions		7,992	8,725
Net cash inflow from operating activities		<u>433,475</u>	<u>387,100</u>

The accompanying notes form part of these financial statements.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared to satisfy the reporting requirement of the *Industrial Relations Act 1979*. The committee has determined that the Association is not a reporting entity.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less, where applicable, any accumulated 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.

(b) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Association. Investment property is carried at fair value, representing open-market value determined by external valuers every three years. Changes in fair values are recorded in the income statement as part of other income.

(c) Impairment of Assets

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

(d) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Cash and Cash Equivalents

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

(f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established

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

(g) Investment

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, 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(h) Comparative Figures

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

2. SHORT TERM DEPOSITS AND BANK

	2010	2009
	\$	\$
Cash at Bank	633,416	491,481
Cash on Deposit	<u>155,634</u>	<u>282,529</u>
	<u>789,050</u>	<u>774,010</u>

3. ADMINISTRATION SCHEMES

REDUNDANCY ADMINISTRATION
SEVERANCE SCHEME ADMINISTRATION

These are employee cessation schemes administered for the benefit of members.

The results of the Schemes do not form part of the trading results of the Association and so are capitalised against the appropriate Scheme's accounts.

However income earned for the administration is treated as revenue.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

4. FINANCIAL ASSET

Investment represents 917,554 units at \$1 each held in NECA WA Group Property Trust (2009: 897,937 units at \$1 each)

5. LOAN – NECA WA GROUP PROPERTY TRUST

Loan was \$10,000 was given to NECA WA Group Property Trust during the year on the basis that it will be repaid with an interest of \$2,000 by no later than 30 June 2012.

6. FINANCIAL LIABILITY

Financial liability represents NECA WA Group Property Trust loan paid by The Electrical and Communications Association (WA). The facility is secured by a corporate guarantee and indemnity from The Electrical and Communication (WA) and NECA WA Group Pty Ltd in its own capacity and trustee for NECA WA Group Property Trust as well as first registered standard mortgage by The Electrical and Communications over property at 9 Cressall Road, Balcatta WA and by NECA WA Group Pty Ltd in its own capacity and trustee for NECA WA Group Property Trust over property at Lot 2, Delawney Street, Balcatta WA.

7. FIXED ASSETS

	2010	2009
	\$	\$
Land (Prowse Street) at valuation July 2007	916,937	916,937
Buildings (Prowse Street) – at cost	53,062	53,062
LESS: Accumulated Depreciation	(3,979)	(2,652)
	<u>49,083</u>	<u>50,410</u>
Plant & Equipment – at cost	104,401	100,809
LESS: Accumulated Depreciation	(75,649)	(58,744)
	<u>28,752</u>	<u>42,065</u>
Fixtures & Fitting – at cost	101,341	93,458
LESS: Accumulated Depreciation	(91,568)	(90,726)
	<u>9,773</u>	<u>2,732</u>
Motor Vehicles – at cost	181,572	163,326
LESS: Accumulated Depreciation	(54,685)	(53,945)
	<u>126,887</u>	<u>109,381</u>
TOTAL FIXED ASSETS	<u><u>1,131,432</u></u>	<u><u>1,121,525</u></u>

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

8. INVESTMENT PROPERTY

	2010	2009
Land and Building (Cressall Road) Balcatta	<u>\$4,000,000</u>	<u>\$4,000,000</u>

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and subject to similar leases. The above is based on initial valuations on 5 July 2007. Further valuation was performed in July 2010, which is consistent with the above valuation.

9. RESERVES

Asset Revaluation Reserve

This reserve records the revaluation of property, plant and equipment.

10. PRIOR YEAR RESTATEMENT

	Previously Stated		2009 Adjustment	Restated
<i>Income & Expenditure Statement</i>				
Interest Expense	61,352	(a)	(61,352)	-
<i>Balance Sheet</i>				
Financial Assets	836,585		61,352	897,937
Retained Earnings	4,820,207		61,352	4,881,560

(a) An adjustment has been made to Financial Asset for interest expenses paid on behalf of NECA WA Group Property Trust Loan (Refer Note 6)

11. CONTINGENCIES

- (a) The most recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.
- (b) A loan of \$25,000 was approved by Board on 18 May 2010 to re-establish NECA Queensland office. As at 30 June 2010 the loan has yet to be advanced to NECA Queensland.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE ADMINISTRATION SCHEME (OLD SCHEME)

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
INCOME		
Gain on Investment	1,864	-
Investment Income	18,844	-
Interest Received on Deposits	15,136	42,057
	<u>35,844</u>	<u>42,057</u>
 LESS EXPENSE		
Administration Fees	60,000	49,000
Investment Fees	4,954	-
	<u>64,954</u>	<u>49,000</u>
 LOSS FOR THE YEAR	 <u><u>(29,110)</u></u>	 <u><u>(6,943)</u></u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE ADMINISTRATION SCHEME (OLD SCHEME)

BALANCE SHEET AS AT 30 JUNE 2010

	2010	2009
	\$	\$
ASSETS		
ANZ Cheque Account	53,750	24,390
ANZ Term Deposit	175,498	689,670
Financial Asset	393,900	-
Interest Receivable	-	5,691
Sundry Debtor	11,854	414
	<u>635,002</u>	<u>720,165</u>
LESS LIABILITIES		
Contribution owing to Employees	490,265	540,151
Severance Tax Liability	2,833	-
Sundry Creditor	-	9,000
	<u>493,098</u>	<u>549,151</u>
NET ASSETS	<u>141,904</u>	<u>171,014</u>
ACCUMULATED FUNDS		
Brought Forward	171,014	177,957
Loss for the year	<u>(29,110)</u>	<u>(6,943)</u>
ACCUMULATED FUNDS AT 30 JUNE	<u>141,904</u>	<u>171,014</u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SEVERANCE PAYMENT SCHEME
(NEW SCHEME – Commenced 1/4/04)**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
INCOME	\$	\$
Gain on Investment	7,972	-
Investment Income	83,227	-
Interest received	25,210	99,545
Total income	<u>116,409</u>	<u>99,545</u>
LESS EXPENSES		
Administration Fees	60,000	49,000
Investment Fees	21,285	-
Total expenses	<u>81,285</u>	<u>49,000</u>
SURPLUS FOR THE YEAR	<u><u>35,124</u></u>	<u><u>50,545</u></u>

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

**SEVERANCE PAYMENT SCHEME
(NEW SCHEME – Commenced 1/4/04)**

BALANCE SHEET AS AT 30 JUNE 2010

	2010	2009
	\$	\$
ASSETS		
ANZ Cheque Account	382,320	223,054
ANZ Term Deposit	140,785	1,797,236
Financial Asset	1,698,790	-
Interest Receivable	1,099	-
Sundry Debtor	51,123	1,009
	2,274,117	2,021,299
LESS LIABILITIES		
Contribution owing to employees	2,067,921	1,862,388
Severance Tax Liability	20,345	-
Sundry Creditor	-	8,184
	2,088,266	1,870,572
NET ASSETS	185,851	150,727
ACCUMULATED FUNDS		
Brought Forward	150,727	100,182
Surplus for the year	35,124	50,545
ACCUMULATED FUNDS AT 30 JUNE	185,851	150,727

The accompanying notes form part of this financial report.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

SEVERANCE SCHEMES

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING METHODS

This financial report is a special purpose financial report prepared for use by the Committee of Management. The Committee of Management has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the following Australian Accounting Standards:

AASB 110: Events after the Balance Sheet Date
AASB 1031: Materiality

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(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, 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

I, MR KYLE KUTASI being the Officer in charge of the preparation of the accompanying accounts of "The Electrical and Communications Association of Western Australia", state that to the best of my knowledge and belief, such accounts present a true and fair view of the financial position of the Association as at 30 June 2010, and the results of its operations for the period then ended.

DATED at Balcatta this 10th day of September, 2010



MR KYLE KUTASI

**THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION
OF WESTERN AUSTRALIA**


MANAGEMENT COMMITTEE STATEMENT TO MEMBERS

The Management Committee of The Electrical and Communications Association of Western Australia has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

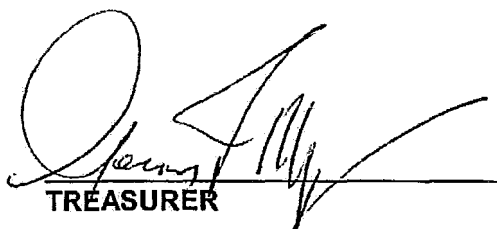
In the opinion of the Management Committee, the financial statements as set out on pages 1 to 15:

1. Presents a true and fair view of the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Electrical and Communications Association of Western Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the Management Committee by:



PRESIDENT



TREASURER

DATED at Balcatta this 10th day of September, 2010

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ELECTRICAL AND COMMUNICATIONS ASSOCIATION OF WESTERN AUSTRALIA**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of The *Electrical and Communications Association of Western Australia* which comprises the following:-

Electrical Contractors Association

Detailed Income Statement
Summary Income Statement
Balance Sheet
Statement of Cash Flows
Notes to the financial statements

Electrical Contractors Association Severance Schemes

Detailed Income Statement
Balance Sheet
Notes to the financial statements

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Industrial Relations Act 1979* and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the 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, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the *Industrial Relations Act 1979*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of The Electrical and Communications Association of Western Australia presents fairly, in all material respects the financial position of The Electrical and Communications Association of Western Australia as at 30 June 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Inherent Uncertainty

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 11(a) to the financial statements, recent application to the Australian Taxation Office for a private ruling as to the status as an income tax exempt employer association, and the subsequent objection and application to the Administrative Appeals Tribunal for a review of the objection, did not result in the income tax exempt status of the Association being confirmed. The circumstances are such that the income tax exempt status of the Association cannot be determined with an acceptable degree of reliability, and accordingly, no provision for any liability that may result has been made in the financial statements.

UTC Integrative Solutions

U-Li Cheong

Principal

Address: Suite 4, 20 Kearns Crescent ARDROSS WA 6153

Dated this 31st day of August 2010