



**Australian Government**

**Australian Industrial Registry**

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Melbourne, VIC 3000  
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Mr Peter Glynn  
Secretary  
The National Electrical Contractors Association  
Level 3  
100 Dorcas Street  
SOUTH MELBOURNE VIC 3205

Dear Peter,

**The National Electrical Contractors Association  
Financial Report for Year Ended 30<sup>th</sup> June 2005 – FR2005/285  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of The National Electrical Contractors Association for the year ended 30<sup>th</sup> June 2005. The documents were lodged in the Industrial Registry on 12<sup>th</sup> December 2005. Please excuse the delay in responding to you. Our attention in recent months has been diverted to the new Workchoices legislation.

The documents have been filed.

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

**Auditor's Report**

*Reference to Australian Accounting Standards*

Included in the documents which have been lodged was an Auditor's Report from Mr Scott Phillips of Bentleys MRI. That report states, broadly speaking, that satisfactory accounting records were kept and that they are properly drawn up so as to give a true and fair view of the organisation's financial affairs. For future reference, however, section 257(5)(a) of the RAO Schedule requires the Auditor's Report to confirm whether the General Purpose Financial Report is presented fairly in accordance with not only the RAO Schedule but also the *Australian Accounting Standards*.

The following wording in an Auditor's Report would satisfy the requirements of section 257 of the RAO Schedule:

*In our opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B (RAO Schedule) of the Workplace Relations Act 1996.*

*Special Purpose Financial Report - Detailed Income and Expenditure Statement*

In addition to the Auditor's Report, the financial records which have been lodged include (at page 20) a document entitled 'Compilation Report to the Members of The National Electrical Contractors Association'. The opening paragraph of this report states that Bentleys MRI have compiled a 'special purpose financial report...for the year ended 30 June 2005 comprising the attached Detailed Income and Expenditure statement'. The Detailed Income and Expenditure Statement then forms pages 21 and 22 of the lodged documents.

The following disclaimer then appears in the Compilation Report:

*Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.*

*To the extent permitted by law, we do not accept responsibility for any loss or damage which any person other than the Association, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.*

*The special purpose financial report was prepared for the benefit of the association and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.*

This approach is not consistent with the requirements of the RAO Schedule. The Schedule expressly requires a General Purpose Financial Report (GPFR) to be prepared and it makes no provision of any kind for the use of Special Purpose Financial Reports.

While section 270 of the RAO Schedule does make provision for reduced reporting requirements, this only applies to whole organisations which have a total income of less than \$100,000.

In light of the above, the organisation will be required in future financial years to prepare a full GPFR in accordance with section 253 of the RAO Schedule and the Reporting Guidelines issued with respect to that section. **A special purpose financial report will not satisfy these requirements and will not be accepted by the Industrial Registry.**

A copy of this letter will also be sent to Mr Phillips of Bentleys MRI.

### **Operating Report – Superannuation Trustees**

The Operating Report is required to state whether any officer or member of the Chapter is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Chapter is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

### **General Purpose Financial Report**

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Reporting Guidelines that have been issued by the Industrial Registrar. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- grants or donations made by the reporting unit (11(f));
- employment benefits paid to office holders (11(g));
- employment benefits paid to employees (other than office holders) (11(h));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));
- penalties imposed on the reporting unit by the *Workplace Relations Act* (11(l));
- capitation fees or membership subscriptions (11(b)); and
- levies that have been imposed upon the reporting unit (11(e)).

An examination of the Detailed Income and Expenditure Statement shows that Annual Leave, Long Service Leave and Salaries & Wages have been separately itemised but that a distinction has not been drawn between benefits paid to *office holders* and to *employees (other than office holders)*. There are also items for 'Conference' and 'Travel and Accommodation' but it is not clear how these figures break down into *fees and/or allowances paid for attendance at conferences and conference and meeting expenses*.

A full copy of the Registrar's Reporting Guidelines is attached. Would you please ensure that these items are separately itemised in the future.

#### **Documents not lodged in Registry within 14 Days of Meeting**

Section 268 of the RAO Schedule requires a reporting unit to lodge its financial documents in the Industrial Registry within 14 days after their presentation to a meeting. While the documents were presented to the Annual General Meeting on 20<sup>th</sup> October 2005, the documents were not lodged in the Industrial Registry until 12<sup>th</sup> December 2005. I note that you have requested an extension of time in which to lodge the documents.

In future financial years the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented.

Please do not hesitate to contact me by email at [robert.pfeiffer@air.gov.au](mailto:robert.pfeiffer@air.gov.au) or on (03) 8661 7817 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/233Vfed>.

Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch

13 July 2006

cc: Mr Scott Phillips  
Bentleys MRI  
GPO Box 2266  
MELBOURNE VIC 3001

# **Workplace Relations Act 1996**

## **Schedule 1B**

Australian Industrial Registry  
Principal Registry  
Nauru House  
80 Collins Street  
Melbourne Vic 3000

(Postal Address:  
GPO Box 1994S  
Melbourne Vic 3001)

## **Determination of reporting guidelines for the purposes of section 253 of RAO Schedule**

### ***Application***

1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the *Workplace Relations Act 1996* (the Act).
2. These reporting guidelines apply to all general purpose financial reports of a reporting unit as defined in section 242 of the RAO Schedule except where a Registrar has issued a certificate under subsection 270(1) to the reporting unit in relation a financial year. Separate reporting guidelines made under section 255 of the RAO Schedule for purposes of section 270 apply to a general purpose financial report of a reporting unit in relation to the financial year for which a certificate has been issued under subsection 270(1).
3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations.

### ***Operative Date***

4. These reporting guidelines apply to each financial year of an organisation that starts on or after 1 July 2003.

### ***Purpose of Reporting Guidelines***

5. These reporting guidelines apply for purposes of section 253 of the RAO Schedule.
6. Under subsection 253(1) of the RAO Schedule a reporting unit is required to have a general purpose financial report (GPFR) prepared. The GPFR must be prepared in accordance with Australian Accounting Standards. These reporting guidelines prescribe certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the RAO Schedule.
7. The disclosure requirements prescribed by these reporting guidelines are directed towards providing members of a reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the GPFR about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

## ***General Requirements for Presentation and Disclosures in GPFR***

8. The reporting unit must disclose in the notes to the financial statements:
- (a) where the reporting unit is dependent on another reporting unit of the organisation for a significant volume of revenue or financial support and that dependency is not clearly discernible from a separate line item in the profit and loss statement or the balance sheet:
    - (i) the name of the reporting unit on which there is an economic dependency; and
    - (ii) the amount of revenue or financial support derived from the other reporting unit;
  - (b) information for the preceding corresponding financial year which corresponds to the disclosures specified for the current financial year must be disclosed, except where, in respect of the financial year to which these reporting guidelines are first applied, corresponding information was not required under the Act or the Workplace Relations Regulations or a superseded version of these reporting guidelines; and
  - (c) the notice required by subsection 272(5) of the RAO Schedule drawing attention to subsections (1), (2) and (3) of section 272 and setting out those subsections.
9. Where a reporting unit acquires during the financial year an asset or a liability as a result of:
- (a) an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation was the amalgamated organisation; or
  - (b) a restructure of the branches of the organisation; or
  - (c) a determination by the Industrial Registrar under subsection 245(1) of the RAO Schedule of an alternative reporting structure for the organisation; or
  - (d) a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a certificate issued to an organisation under subsection 245(1),
- the reporting unit must disclose in the notes to the financial statements in respect of each such asset or class of assets or each such liability or class of liabilities:
- (e) date acquired;
  - (f) description; and
  - (g) name of the entity (including a reporting unit of the organisation or that of another organisation) from which it was acquired.

## ***Profit and Loss Statement***

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership subscriptions) in respect of membership of the organisation;
  - (b) where under the rules of the organisation or a branch of the organisation a reporting unit may receive from another reporting unit of the organisation as a contribution towards the general administrative expenses of the reporting unit a proportion of the total amount received by the other reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
  - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the aggregate amount for all such reporting units;
  - (d) compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes - the amount and a brief description of the purpose of each such levy or appeal; and

- (e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).
11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
  - (b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
  - (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;
  - (d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
  - (e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);
  - (f) grants or donations;
  - (g) employee benefits to holders of office of the reporting unit;
  - (h) employee benefits to employees (other than holders of offices) of the reporting unit;
  - (i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
  - (j) legal costs and other expenses related to litigation or other legal matters;
  - (k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible; and
  - (l) penalties imposed on the reporting unit under the Act or Regulations.
12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:
- (a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and
  - (b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.

## **Balance Sheet**

13. Where an item is disclosed on the face of the balance sheet as:
- (a) a receivable or other right to receive cash; or

- (b) a payable or other financial liability; and
  - (c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,
- the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:
- (d) name of the other reporting unit; and
  - (e) cost or value attributable to the other reporting unit.

14. Total amounts for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the balance sheet in accordance with Australian Accounting Standards:

### **Liabilities**

- (a) payables to employers as consideration for the employers making payroll deductions of membership subscriptions;
- (b) payables in respect of legal costs and other expenses related to litigation or other legal matters;
- (c) employee benefits in respect of holders of offices in the reporting unit;
- (d) employee benefits in respect of employees (other than holders of offices) of the reporting unit;

### **Equity**

- (e) name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit;
- (f) where moneys, or the balance of moneys, standing to the credit of a fund or account referred to in subparagraph (e) have been invested in any assets - the name of the fund or account and the value of those assets;
- (g) name and balance of each fund or account operated (other than the general fund or a fund referred to in (e)) the operation of which is required by the rules of the organisation including the rules of a branch of the organisation; and
- (h) the balance of the general fund.

### **Statement of Cash Flows**

15. Where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

### **Committee of Management Statement**

16. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.
17. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:
- (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 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;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) 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 organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

18. The committee of management statement must:

- (a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;
- (b) specify the date of passage of the resolution;
- (c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and
- (d) be dated as at the date the designated officer signs the statement.



## Glossary of Terms

19. The following terms are used in these reporting guidelines - the meaning of any term defined in the Australian Accounting Standards is not modified by the following glossary:

***amalgamated organisation*** has the meaning provided in section 35 of the RAO Schedule.

***assets*** are future economic benefits controlled by the reporting unit as a result of past transactions or other past events.

***Australian Accounting Standards*** means the accounting standards issued by the Australian Accounting Standards Board (AASB) or issued by CPA Australia and by The Institute of Chartered Accountants in Australia and adopted by the AASB (section 6 of the RAO Schedule).

***cash flows*** means cash movements resulting from transactions with parties external to the reporting unit.

***designated officer*** is an officer of the reporting unit within the meaning of section 243 of the RAO Schedule.

***employee benefits*** means all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees.

***entity*** means any legal, administrative, or fiduciary arrangement, organisational structure (including a reporting unit of an organisation) or other party (including a person) having the capacity to deploy scarce resources in order to achieve objectives.

***equity*** means the residual interest in the assets of the reporting unit after deduction of its liabilities.

***financial liability*** includes an obligation to deliver cash to another entity.

***financial records*** to the extent that they relate to finances or financial administration includes a register, any other record of information, financial reports or financial records, however compiled, recorded or stored, a document (section 6 of the RAO Schedule).

***financial statements*** comprise a profit and loss statement, a balance sheet and a statement of cash flows (paragraph 253(2)(a) of RAO Schedule).

***financial year*** in relation to an organisation means the period of 12 months commencing on 1 July in any year or another period of 12 months as is provided in the rules of the organisation (section 6 of RAO Schedule) or a different period in the special circumstances set out in section 240 of the RAO Schedule.

***general administrative expenses*** includes expenses in respect of the office of the reporting unit, and other expenses that arise at the reporting unit level and relate to the reporting unit as a whole.

***general fund*** means the equity of the reporting unit other than in relation to any fund operated by the reporting unit for a specific purpose.

***general purpose financial report*** has the meaning set out in subsection 253(2) of the RAO Schedule.

***grant or donation*** is taken to have the same meaning as used in section 149 or section 237 of the RAO Schedule though is not limited by amount.

***liabilities*** are the future sacrifices of economic benefits that the reporting unit is presently obliged to make to other entities as a result of past transactions or other past events.

***membership subscriptions*** means periodic subscriptions in respect of membership of the organisation.

***notes to the financial statements*** comprise notes required by Australian Accounting Standards and information required by the reporting guidelines (paragraph 253(2)(b) of the RAO Schedule).

**organisation** means an organisation registered under the RAO Schedule.

**payables** are amounts owed by the reporting unit to other entities for goods or services delivered.

**RAO Schedule** means Schedule 1B to the *Workplace Relations Act 1996*.

**RAO Regulations** means the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*.

**receivables** are amounts owed to the reporting unit by other entities (including members of the reporting unit) for goods or services delivered (including membership subscriptions).

**reporting unit** has the meaning set out in section 242 of the RAO Schedule.

**rules of an organisation** are the rules that an organisation must have under Chapter 5, Part 2 of the RAO Schedule.

Dated: 20<sup>th</sup> June 2003



Nicholas Wilson  
**Industrial Registrar**



FR 2005/285

National office | **national electrical and communications association**  
Level 3, 100 Dorcas Street South Melbourne 3205 Australia  
telephone +61 3 9645 5566 facsimile +61 3 9645 5577  
email necanat@neca.asn.au  
ABN 78 319 016 742

7<sup>th</sup> December 2005

*Rec'd 12/12/05*

Deputy Industrial Registrar  
Australian Industrial Registry  
GPO Box 1994S  
MELBOURNE VIC 3001

Dear Sir/Madam,

**Certificate of Secretary**

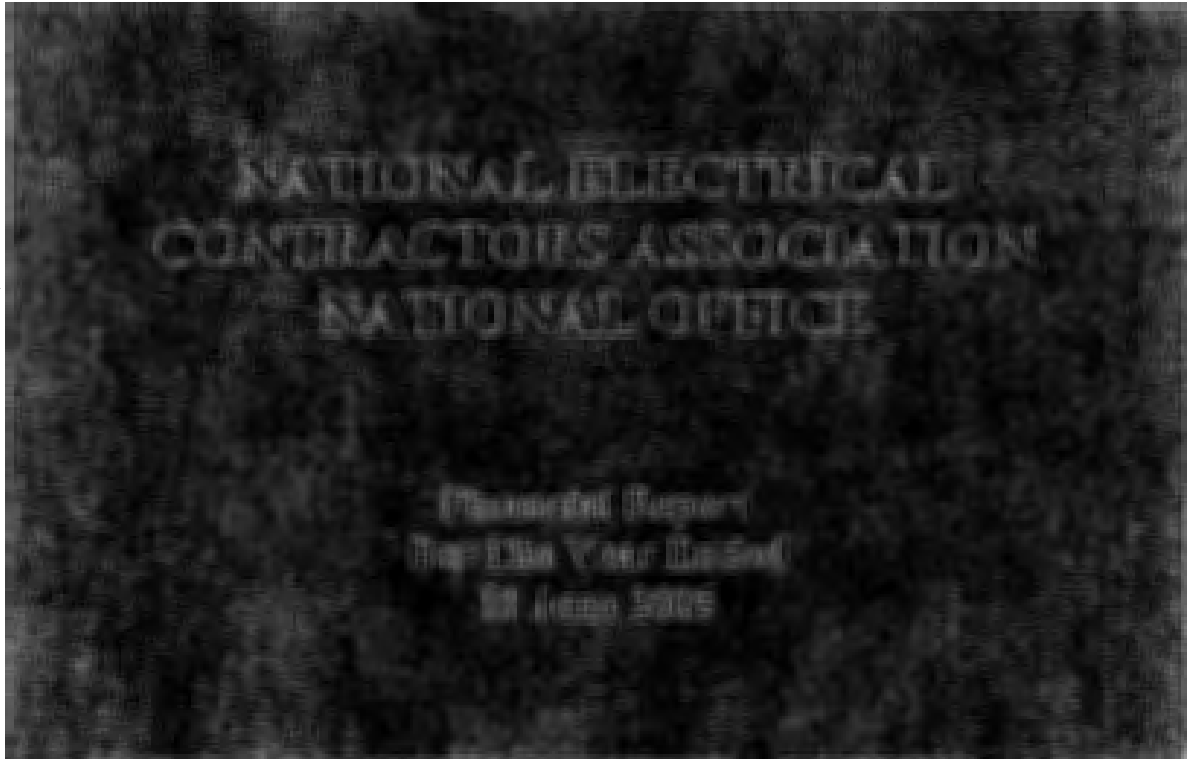
I, Peter James Glynn, being the Secretary of the National Electrical Contractors Association – National Office, certify:

1. that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
2. that the full report was provided to members on October 20<sup>th</sup>, 2005; and.
3. that the full report was presented to the Annual General Meeting of the reporting unit on November 10<sup>th</sup>, 2005; in accordance with s266 of the RAO Schedule.

We herewith seek an extension of time in which to lodge this certificate.

Yours faithfully

**PETER GLYNN**  
Secretary



**Operating Report by the Committee**

Your committee members submit the financial report of the National Electrical Contractors Association – National Office (“the association”) for the financial year ended 30 June 2005.

**Committee Members**

The name of committee members of the association throughout the financial year and at the date of this report are:

P Vandenheuvel (ceased August 04)	W McKnight
N Palmer	D Madson
M Bowring	G Itzstein (ceased August 04)
M O'Malley (ceased August 04)	C M Russell
S Griffiths	P Glynn
W Carter	F Russo
M Green (since August 04)	G Kempton (since August 04)
J Robinson (since August 04)	

**Principal Activities**

The principal activity of the association during the financial year was representing the interests of its members in the electrical and communication industry.

**Significant Changes**

No significant change in the nature of these activities occurred during the year.

**Operating Result**

Profit from ordinary activities amounted to \$134,032.

**After Balance Date Events**

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

**Number of Members**

The association had 3,663 (2004: 3,531) members at financial year end.

**Number of Employees**

The association had 6 (2004: 6) employees at financial year end.


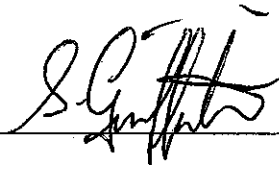
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**Members Right to Resign**

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

Signed in accordance with a resolution of the Members of the Committee:

  
\_\_\_\_\_  
**NEVILLE PALMER**  
President  
\_\_\_\_\_  
**STEPHEN GRIFFITHS**  
Treasurer

Dated this 20<sup>th</sup> day of October 2005


**Committee of Management Statement**

On 18<sup>th</sup> of August 2005 the Committee of Management of the National Electrical Contractors Association – National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the entity for the financial year ended 30 June 2005.

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 give a true and fair view of the financial performance, financial position and cash flows of the association for the financial year to which they relate;
- d) there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable; and
- e) that during the financial year to which the GPFR relates and since the end of that year:
  - i) meetings of the committee of management were held in accordance with the rules of the association; and
  - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the association including the rules of a branch concerned; and
  - iii) the financial records of reporting units have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
  - iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - v) no requests have been made from any member of the association or a Register under section 272 of the RAO Schedule; and
  - vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the year.

For the Committee of Management:

  
\_\_\_\_\_  
**NEVILLE PALMER**  
President

Dated this 20<sup>th</sup> day of October 2005



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
– NATIONAL OFFICE**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2005**

	<b>Note</b>	<b>2005 \$</b>	<b>2004 \$</b>
<b>Revenues from ordinary activities</b>	<b>2</b>	<b>1,753,998</b>	<b>1,463,087</b>
Employee expenses		(546,479)	(514,991)
Depreciation and amortisation expenses	3(a)	(19,487)	(23,390)
Project expenses		(303,269)	(431,343)
Travel & Accommodation expenses		(69,235)	(74,749)
Affiliation expenses		(80,538)	(82,336)
Other expenses from ordinary activities	3	<u>(600,958)</u>	<u>(276,292)</u>
<b>Profit from ordinary activities before income tax expense</b>		<b>134,032</b>	<b>59,986</b>
<b>Income tax expense relating to ordinary activities</b>	<b>1 (a)</b>	<u>-</u>	<u>-</u>
<b>Net profit from ordinary activities after income less expenses attributable to the members of the association</b>	<b>13</b>	<u><b>134,032</b></u>	<u><b>59,986</b></u>
<b>Total changes in equity of the association</b>		<u><b>134,032</b></u>	<u><b>59,986</b></u>

The accompanying notes form a part of the financial statement.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
- NATIONAL OFFICE**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash assets	14(a)	140,588	335,241
Receivables	5	356,475	213,395
Other financial assets	6	462,700	262,700
Other	7	221,573	49,607
<b>Total Current Assets</b>		<u>1,181,336</u>	<u>860,943</u>
<b>NON-CURRENT ASSETS</b>			
Investments in associate	8	1	1
Investments in controlled entity	9	1	1
Plant and equipment	10	48,545	68,712
<b>Total Non-Current Assets</b>		<u>48,547</u>	<u>68,714</u>
<b>Total Assets</b>		<u>1,229,883</u>	<u>929,657</u>
<b>CURRENT LIABILITIES</b>			
Payables	11	385,075	228,591
Provisions	12	114,815	104,651
<b>Total Current Liabilities</b>		<u>499,890</u>	<u>333,242</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	3,648	4,102
<b>Total Non-Current Liabilities</b>		<u>3,648</u>	<u>4,102</u>
<b>Total Liabilities</b>		<u>503,538</u>	<u>337,344</u>
<b>NET ASSETS</b>		<u>726,345</u>	<u>592,313</u>
<b>EQUITY</b>			
Retained profits	13	726,345	592,313
<b>TOTAL EQUITY</b>		<u>726,345</u>	<u>592,313</u>

The accompanying notes form part of the financial statement.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		1,409,031	1,652,351
Cash payments in the course of operations		(1,431,668)	(1,807,821)
Interest received		29,121	26,169
<b>Net cash provided by / (used in) operating activities</b>	14(b)	<u>6,484</u>	<u>(129,301)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant and equipment		(1,937)	(9,250)
Receipts from sale of plant and equipment		800	-
Payments for investments		(200,000)	(250,000)
<b>Net cash used in investing activities</b>		<u>(201,137)</u>	<u>(259,250)</u>
Net increase/(decrease) in cash held		(194,653)	(388,551)
Cash at the beginning of the financial year		335,241	723,792
<b>Cash at the end of the financial year</b>	14(a)	<u>140,588</u>	<u>335,241</u>

The accompanying notes form part of the financial statement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**1. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996. It has been prepared on the basis of historical costs and does not take into account changing money values.

The financial report covers National Electrical Contractors Association – National Office (“the association”), for the financial year ended 30 June 2005.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**a) Taxation**

No provision for income tax is necessary as “Associations of Employers” are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

**b) Trade Receivables**

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

**c) Investments**

Investments in associates are carried at the lower of the equity-accounted amount and recoverable amount in the financial statements.

All other investments are carried at the lower of cost and recoverable amount.

**d) Property, Plant and Equipment**

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

**Depreciation**

Items of property, plant and equipment, including buildings, but excluding freehold land, are depreciated over their estimated useful lives. The straight-line method of depreciation is used. The depreciation rates used for each class of depreciable assets are:

	<b>2005</b>	<b>2004</b>
Plant and Equipment	10% to 33%	10% to 33%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**1. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**e) Recoverable Amount**

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

**f) Trade and Other Payables**

Liabilities for trade creditors and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Association.

**g) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other 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.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

**h) Leases**

Lease payments under 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.

**i) Cash and Cash Equivalents**

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days.

**j) Revenue Recognition**

**Revenue from operating activities**

Operating revenue comprises revenue earned from the provision of products or services to members. Operating revenue is recognised when the goods are provided or when the fee in respect of services provided is receivable.

Contribution for the ElectroComms Contracting Foundation is recognised as revenue when the right to receive a contribution has been established.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)

1. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j) **Revenue Recognition (cont'd)**

**Interest Income**

Interest income is recognised as it accrues.

**Asset Sales**

The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

k) **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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

l) **Comparatives**

Where necessary, comparative information has been reclassified to achieve consistency with current financial year amounts and other disclosures.

m) **Controlled entities**

Separate financial statements are prepared for any controlled entity. Therefore, no consolidated financial statements are prepared in this financial report.

n) **Adoption of Australia Equivalents to International Financial Reporting Standards**

The Association is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing 1 January 2005. The adoption of AIFRS will be reflected in the Association's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The Association's management, along with its auditors, have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The committee members are of the opinion that the key material differences in the Association's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS, or interpretation of the AIFRS.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Adoption of Australia Equivalents to International Financial Reporting Standards  
(Continued)

**Impairment of assets**

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows, which are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The Association has reassessed its impairment testing policy and tested all assets for impairment at 1 July 2005. Impairment testing as at 1 July 2005 confirmed no impairment of any assets.

**Non-current investments**

Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determines the accounting treatment of the respective item. The categories and various treatments are:

- held to maturity, measured at amortised cost;
- held for trading, measured at fair value with unrealised gains or losses charged to the profit and loss;
- loans and receivables, measured at amortised cost; and
- available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

The Association's financial assets comprise available for sale financial instruments. Under AASB 139: Financial Instruments: Recognition and Measurement, the measurement of available for sale instruments at fair value differs to current accounting policy which measures non-current investments at cost with an annual review by committee members to ensure the carrying amounts are not in excess of the recoverable value of the instrument. The impact of the change is likely to increase the value of non-current other financial assets in relation to available for sale instruments.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)

	2005 \$	2004 \$
<b>2. REVENUE FROM ORDINARY ACTIVITIES</b>		
Operating activities		
Member subscriptions	551,139	505,378
Management fees	496,468	411,588
ElectroComms Contracting Foundation contribution	125,877	83,495
	<u>1,173,484</u>	<u>1,000,461</u>
Non-operating activities		
Government grants	301,633	160,859
Interest from other corporations	29,121	26,169
Other	249,760	275,598
	<u>580,514</u>	<u>462,626</u>
Total revenue	<u>1,753,998</u>	<u>1,463,087</u>
<b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities has been determined after:		
(a) Expenses		
Depreciation of non-current assets:		
Property, Plant and Equipment	19,487	23,390
Total depreciation of non-current assets	<u>19,487</u>	<u>23,390</u>
Loss on sale of non current assets	<u>1,817</u>	<u>-</u>
Operating lease rental	<u>41,354</u>	<u>38,318</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

	2005 \$	2004 \$
<b>4. AUDITORS' REMUNERATION</b>		
Audit services:		
Auditors of the association	<u>12,750</u>	<u>10,875</u>
<b>5. RECEIVABLES</b>		
General membership	<u>356,475</u>	<u>213,395</u>
<b>6. OTHER FINANCIAL ASSETS</b>		
Term deposits	<u>462,700</u>	<u>262,700</u>
<b>7. OTHER</b>		
Other receivables	78,590	35,606
Prepayments	<u>142,983</u>	<u>14,001</u>
	<u>221,573</u>	<u>49,607</u>
<b>8. INVESTMENTS IN ASSOCIATE</b>		
Australian Cabler Registration Service Pty Ltd – at cost	<u>1</u>	<u>1</u>
<b>9. INVESTMENTS IN CONTROLLED ENTITY</b>		
Teledata Licence (Aust) Pty Ltd - at cost	<u>1</u>	<u>1</u>
<b>10. PLANT AND EQUIPMENT</b>		
Plant and equipment – at cost	188,656	190,518
Less: Accumulated depreciation	<u>(140,111)</u>	<u>(121,806)</u>
	<u>48,545</u>	<u>68,712</u>
Total Plant and equipment	<u>48,545</u>	<u>68,712</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>10. PLANT AND EQUIPMENT (Cont'd)</b>		
<b>Movements in Carrying Amounts</b>		
	<b>Plant and equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	68,712	68,712
Additions	1,937	1,937
Depreciation expense	(19,487)	(19,487)
Disposals	(2,617)	(2,617)
Carrying amount at end of year	<u>48,545</u>	<u>48,545</u>
<b>11. PAYABLES</b>		
Trade creditors and accruals	137,460	97,213
Goods & Services Tax	42,120	14,768
Deferred income	205,495	116,610
	<u>385,075</u>	<u>228,591</u>
<b>12. PROVISIONS</b>		
<b>Current</b>		
Employee entitlements	<u>114,815</u>	<u>104,651</u>
<b>Non-current</b>		
Employee entitlements	<u>3,648</u>	<u>4,102</u>
No. of employees at year end	<u>6</u>	<u>6</u>
<b>13. RETAINED PROFITS</b>		
Balance at the beginning of the financial year	592,313	532,327
Net profit attributable to members	134,032	59,986
Balance at the end of the financial year	<u>726,345</u>	<u>592,313</u>

The association received \$125,877 (2004: \$83,495) committed contributions during the financial year for the ElectroComms Contracting Foundation. The amount has been taken up as revenue and included in retained profits. The progressive value of the funds committed to the Foundation at 30 June 2005 is \$680,783 (2004: \$530,587).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005(Cont'd)**

	2005 \$	2004 \$
<b>14. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>(a) Reconciliation of Cash</b>		
Cash at end of the financial year as shown in the statement of cash flows is reconciled to the related items as follows:		
Cash at bank	<u>140,588</u>	<u>335,241</u>
<b>(b) Reconciliation of Cash Flows from Operations with Profit from trading activities</b>		
Operating profit	134,032	59,986
Add/(less) items classified as investing/financing activities:		
(Profit)/Loss on sale of non-current assets	1,817	-
Add/(less) non-cash items:		
Depreciation	19,487	23,390
Amounts set aside to provisions	<u>-</u>	<u>-</u>
Net cash provided by operating activities before change in assets and liabilities	155,336	83,376
Change in assets and liabilities during the financial year:		
(Increase)/Decrease in receivables	(143,080)	71,741
(Increase)/Decrease in other assets	(171,966)	158,125
(Decrease)/Increase in payables	156,484	(446,931)
(Decrease)/Increase in provisions	<u>9,710</u>	<u>4,388</u>
Net cash provided by/(used in) operating activities	<u>6,484</u>	<u>(129,301)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)

**15. EXPENDITURE COMMITMENTS**

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

Less than 1 year	60,497	41,354
1 to 5 years	19,802	57,531
	<u>80,299</u>	<u>98,885</u>

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. The option to renew the lease at the end of the original three-year term for an additional term of three years was exercised during the year.

**16. RELATED PARTIES DISCLOSURE**

The names of the persons who have held office as Councilors during the year are:

P Vandenneuvel (ceased Aug 04)	W McKnight
N Palmer	D Madson
G Itzstein (ceased Aug 04)	M Bowring
M O'Malley (ceased Aug 04)	C M Russell
S Griffiths	P Glynn
J Robinson (since Aug 04)	F Russo
M Green (since Aug 04)	W Carter
G Kempton (since Aug 04)	

*Councilors and their related entities*

Members of the Council 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.

*Related Party Transactions*

Teledata Licence (Aust) Pty Ltd administers and processes applications for cabling licences. Teledata Licence (Aust) Pty Ltd is a related party to the National Electrical Contractors Association.

**17. SEGMENT REPORTING**

The association operates predominantly in one business and geographical segment, being in the electrical and communications industry providing benefits to the members of the association throughout Australia.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**18. FINANCIAL INSTRUMENTS**

**a) Interest Rate Risks**

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

Financial Assets	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Non-Interest Bearing		Total	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Cash	5.2%	4.3%	140,588	335,241	-	-	-	-	140,588	335,241
Other financial assets	5.5%	5.3%	-	-	462,700	262,700	-	-	462,700	262,700
Receivables	-	-	-	-	-	-	356,475	213,395	356,475	213,395
Total Financial Assets	-	-	140,588	335,241	462,700	262,700	356,475	213,395	959,763	811,336
Payables	-	-	-	-	-	-	179,580	111,981	179,580	111,981
Total Financial Liabilities	-	-	-	-	-	-	179,580	111,981	179,580	111,981

**b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

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

**c) Net Fair Values**

The net fair values of assets and liabilities approximate 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 statement of financial position and in the notes to and forming part of the financial statements.

**19. SUBSEQUENT EVENTS**

Since 30 June 2005, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association, in subsequent financial years.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**20. ASSOCIATION DETAILS**

The principal place of business of the association is:

National Electrical Contractors Association – National Office  
Level 3, 100 Dorcas Street  
South Melbourne VIC 3205

**21. 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).

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## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION**

### **Scope**

#### **The financial report and committee's responsibility**

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the committee of management statement for the National Electrical Contractors Association, National Office ("the association") for the financial year ended 30 June 2005.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act. 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 Associations Incorporation Act, 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 its performance as represented by the results of its 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 TO THE MEMBERS OF  
THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION (CONT'D)**

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Audit Opinion**

In our opinion:

- (a) there were kept by the association in respect of the year ended 30 June 2005, satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purposes of expenditure; and
- (b) the attached financial report, prepared under the historical cost convention and in accordance with Section 253 of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996, is properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the Association as at 30 June 2005;
  - (ii) the statement of financial performance and cash flows of the Association for the financial year ended on that date; and
  - (iii) all information and explanations required by RAO Schedule 1B of the Workplace Relations Act 1996 to be provided by officers or employees were provided.

*Bentleys mri*

**BENTLEYS MRI  
CHARTERED ACCOUNTANTS**

*Scott Phillips*

**SCOTT PHILLIPS  
PARTNER  
APPROVED AUDITOR**

Dated in Melbourne on 20th day of OCTOBER 2005



**Bentleys MRI Melbourne Pty Ltd**  
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## COMPILATION REPORT TO THE MEMBERS OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

### Scope

On the basis of information provided by the Committee of Management of the National Electrical Contractors Association, National Office, we have compiled, in accordance with APS 9: Statement on Compilation of Financial Reports the special purpose financial report of National Electrical Contractors Association, National Office, for the year ended 30 June 2005 comprising the attached Detailed Income and Expenditure statement.

The specific purpose for which the special purpose financial report has been prepared is to provide private information to the trustees. No Australian Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet the needs of the Committee of Management for the purposes of complying with the Association's Constitution.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Association, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the association and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

*Bentleys MRI Melbourne Pty Ltd*

**BENTLEYS MRI MELBOURNE PTY LTD**  
**CHARTERED ACCOUNTANTS**

*Scott Phillips*

**SCOTT PHILLIPS**  
**DIRECTOR**

Dated in Melbourne on 20th day of OCTOBER 2005

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2005**

<b>INCOME</b>	<b>2005</b>	<b>2004</b>
<b>General Administration</b>	<b>\$</b>	<b>\$</b>
Subscriptions – Chapters & Affiliates	551,139	505,378
Sundry Income	-	1,888
Directors Fees	4,000	4,000
Management Fees	496,468	411,588
Awards Sponsorship and Tickets	228,218	242,182
Vendors and Distributors Group	-	14,000
Interest	29,121	26,169
Contribution to Standards	15,000	10,000
ElectroComms Contracting Foundation	125,877	83,495
Projects	303,375	164,387
Proceeds from sale of plant and equipment	800	-
<b>TOTAL INCOME</b>	<b><u>1,753,998</u></b>	<b><u>1,463,087</u></b>

This Detailed Income and Expenditure statement should be read in conjunction with  
the attached compilation report.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION  
– NATIONAL OFFICE**

**DETAILED INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

<b>EXPENDITURE</b>	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>General Administration</b>		
Accounting and Audit Fees	54,750	50,875
Advertising & Promotion	280	-
Affiliation Fees	80,538	82,336
Annual Leave	(4,230)	3,307
Bad Debts	-	-
Bank Charges	2,166	2,196
Communications Consultant	56,309	10,458
Computer Expenses	8,726	5,579
Conference	7,314	1,669
Cost of Sale of plant and equipment	2,617	-
Depreciation	19,487	23,390
Entertainment & Representation	8,646	7,729
Excellence Award	227,954	223,656
Foundation Expenses	1,160	-
Fringe Benefits Tax	876	3,120
Insurance	15,749	19,754
Legal Fees	11,322	30,362
Long Service Leave	13,940	6,508
Meeting Expenses	20,447	12,230
Payroll Tax	21,702	20,201
Postage	9,091	8,962
Projects	303,269	164,056
Rent	64,705	57,423
Repairs & Maintenance	3,205	2,509
Salaries & Wages	514,191	481,855
Smart Wiring	17,233	-
Staff Training	6,650	-
Standards Australia	2,400	10,000
Stationery	26,680	14,788
Subscriptions Trade Journals	5,918	4,625
Sundry Expenses	5,849	9,085
Telephone & Fax	23,906	19,329
Travel & Accommodation	69,235	74,749
Vendors & Distributors	9,543	43,631
Website	2,250	2,275
Workcare	6,088	6,444
<b>TOTAL EXPENDITURE</b>	<b><u>1,619,966</u></b>	<b><u>1,403,101</u></b>
<b>NET PROFIT</b>	<b><u>134,032</u></b>	<b><u>59,986</u></b>

This Detailed Income and Expenditure statement should be read in conjunction with the attached compilation report.