



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Mr James Tinslay
Secretary
The National Electrical Contractors Association
New South Wales Chapter
28 Burwood Rd
BURWOOD NSW 2134

By email: necansw@neca.asn.au

Dear Mr Tinslay,

Attention: Mr Rod Marshall, Industrial Relations Manager

Re: Financial Documents - year ended 30 June 2005 (FR2005/287)

Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial reports for the New South Wales Chapter of The National Electrical Contractors Association for the year ended 30 June 2005. The documents were lodged in the Registry on 24 October 2005 under s268 of Schedule 1B (RAO Schedule) of the Workplace Relations Act 1996.

This is the second lodgment by the branch of its audited financial reports under the *Registration and Accountability of Organisations (RAO) Schedule* which commenced on 12 May 2003. Such financial accounts are also required to comply with the Industrial Registrar's s253 *Reporting Guidelines*. For your assistance I also enclose a *Timeline* which sets out the fundamental financial reporting requirements of the RAO Schedule.

The documents have been filed.

Would you be able to provide further information regarding the following point by Friday 9 December 2005:

Employee benefits to holders of office

Note 14(a) to the Accounts states:

No member of the Executive Committee received any remuneration during the year for performing their duties as a member of the Executive Committee

However, I note that the Statement of Financial Performance discloses the following:

<i>Employee benefits to holders of office</i>	<i>\$ 194,410</i>
-----------------------------------------------	-------------------

The above two statements appear to be inconsistent. Would you be able to provide further information regarding this apparent inconsistency by Friday 9 December 2005.

In addition, a comparison of the figures for the 30 June 2004 financial year as presented in the financial report for that year and the comparative figures for the same period as presented in the financial report for 30 June 2005 indicate that an amount of \$87,047 has been transferred from *Employee benefits to holders of office* to *Employee benefits Expenses* – see Attachment A. Would you also be able to clarify this apparent inconsistency by Friday 9 December 2005.

Comments to assist future financial reports

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Committee of Management Statement

The branch provided three different statements by the Committee of Management as follows:

25/08/05	<i>Certificate by Member of the Committee</i>
25/08/05	<i>Statement by Members of the Committee</i>
19/10/05	<i>Executive Committee's Certificate</i>

It is only necessary for the Committee to provide one such statement which is to be drawn up in accordance with the requirements of Items 24 to 26 of the Reporting Guidelines issued under s253 of the RAO Schedule.

For your assistance I have enclosed a sample Committee of Management Statement as lodged by the National Office of the organisation – see Attachment B.

Operating Report

In future financial years the Operating Report must also include:

- the number of members of the branch as at the end of the financial year, and
- the number of employees of the branch as at the end of the financial year

For further information see Regulation 159 of the RAO Regulations and s254(2)(f) of the RAO Schedule.

Accounts need to include Notice which sets out sections 272(1), (2) & (3)

In future financial years the accounts must include a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of the RAO Schedule, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

(1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

(2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

(3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

This information is normally set out in the Notes to the Accounts.

Accounting Officer's Certificate

The Accounting Officer's Certificate was a document required under the former financial reporting requirements of the *Workplace Relations Act 1996*. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.

Due date for next financial return is 15 January 2007

Financial reports for the financial year ending 30 June 2006 should be lodged in the Registry by 15 January 2007 - see the *Timeline* and sections 265(5) and 266 of the RAO Schedule.

RAO Schedule available on internet

For the benefit of registered organisations you can view the full text of the following documents on the Australian Industrial Relations Commission's website at www.airc.gov.au:
- then select *Organisations*, then select *Registration and Accountability*:

- Workplace Relations Act 1996
- the RAO Schedule
- the RAO Regulations
- the RAO Reporting Guideline
- the RAO Fact Sheets

If you have any queries please contact me on (03) 8661 7799.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Schultz', with a long, sweeping horizontal stroke extending to the right.

Andrew Schultz
Statutory Services Branch

18 November 2005

National Electrical Contractors Association - New South Wales Chapter

Statement of Financial Performance
For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Revenue from ordinary activities:			
Administration fees		573,279	538,167
Annual Conference		-	111,264
Excellence Awards		105,838	93,855
Interest		138,164	110,012
Member services		442,409	407,478
Membership subscription		1,222,188	1,028,665
Project Fund income		54,602	203,779
Gain from sale of property, plant and equipment		2,919	12,161
Other revenues from ordinary activities		<u>95,630</u>	<u>70,567</u>
		2,635,029	2,575,948
Expenses from ordinary activities:			
Annual conference		-	(101,166)
Audit fees	3	(14,220)	(10,491)
Body Corporate fees		(35,978)	(35,114)
Consultancy fees		(5,622)	(223)
Depreciation and amortisation expenses		(108,022)	(129,324)
Donations		(2,000)	(1,818)
Education & Training - Project Fund		(54,602)	(203,779)
Electrocomms Commission		(14,270)	(12,409)
Excellence Award expenses		(94,533)	(85,203)
Employee benefits to holders of office		<u>(194,410)</u>	<u>(174,124)</u>
Employee benefits expenses		<u>(758,428)</u>	<u>(695,856)</u>
Insurance expenses		(31,091)	(40,326)
Legal expenses		(9,644)	(64,654)
Member services		(202,845)	(184,137)
Office expenses		(9,456)	(17,995)
Meeting expenses		(35,539)	(31,258)
Postage, printing & stationery		(166,593)	(139,266)
Rates & taxes		(45,967)	(45,192)
Subscriptions		(238,038)	(221,311)
Travelling and accomodation		(31,333)	(34,701)
Utilities expenses		(62,541)	(54,197)
Other expenses from ordinary activities		<u>(58,206)</u>	<u>(32,539)</u>
		(2,173,338)	(2,315,083)
Borrowing costs expense	3	<u>(35,978)</u>	<u>(35,114)</u>
Profit from ordinary activities		<u>425,713</u>	<u>225,751</u>
Total changes in equity other than those resulting from transactions with owners as owners	12	<u>425,713</u>	<u>225,751</u>

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Statement Of Financial Performance For the year ended 30 June 2004

	Notes	<u>2004</u> \$	2003 \$
Revenue from ordinary activities:			
Administration fees		538,167	510,689
Annual Conference		111,264	358,174
Excellence Awards		93,855	85,923
Interest		110,012	92,270
Member services		407,478	372,766
Membership subscription		1,028,665	922,540
Project Fund income		203,779	463,014
Proceeds from sale of property, plant & equipment		17,728	-
Other revenues from ordinary activities		<u>64,999</u>	<u>86,720</u>
	2	<u>2,575,947</u>	2,892,096
Expenses from ordinary activities:			
Annual conference		(101,166)	(332,267)
Audit fees		(10,491)	(13,500)
Body Corporate fees		(35,114)	(39,698)
Consultancy fees		(223)	(18,374)
Depreciation and amortisation expenses		(129,324)	(128,984)
Donations		(1,818)	(1,900)
Education & Training - Project Fund		(203,779)	(463,014)
Electrocomms Commission		(12,409)	(11,864)
Excellence Award expenses		(85,203)	(81,442)
Employee benefits to holder of office		<u>(261,171)</u>	(255,703)
Employee benefits expenses		<u>(608,809)</u>	(607,522)
Insurance expenses		(40,326)	(37,436)
Legal expenses		(64,654)	(82,713)
Member services		(184,137)	(187,587)
Office expenses		(17,995)	(11,294)
Meeting expenses		(31,258)	(41,627)
Postage, printing & stationery		(139,266)	(145,126)
Rates & taxes		(45,192)	(43,676)
Book value of assets disposed		(5,567)	-
Subscriptions		(221,311)	(221,610)
Travelling and accommodation		(34,701)	(41,765)
Utilities expenses		(54,197)	(60,552)
Other expenses from ordinary activities		<u>(26,971)</u>	<u>(30,766)</u>
		<u>(2,315,082)</u>	(2,858,420)
Borrowing costs expense	3	<u>(35,114)</u>	(39,698)
Profit (Loss) from ordinary activities before income tax expense		<u>225,751</u>	<u>(6,022)</u>
Profit (Loss) from ordinary activities after related income tax expense	3, 13	225,751	(6,022)
Total changes in equity other than those resulting from transactions with owners as owners	13	<u>225,751</u>	<u>(6,022)</u>

The accompanying notes form part of these financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
– NATIONAL OFFICE**

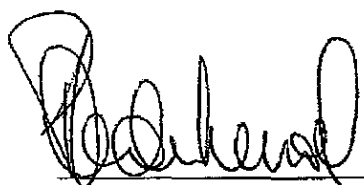
Committee of Management Statement


On 18th of August 2004 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 2004.

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;
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the association including the rules of a branch concerned;
 - iii) the financial records of reporting units have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations;
 - iv) no requests have been made from any member of the association or a Register under section 272 of the RAO Schedule; and
 - v) no orders have been made by the Commission under section 273 of the RAO Schedule during the year.

For the Committee of Management:

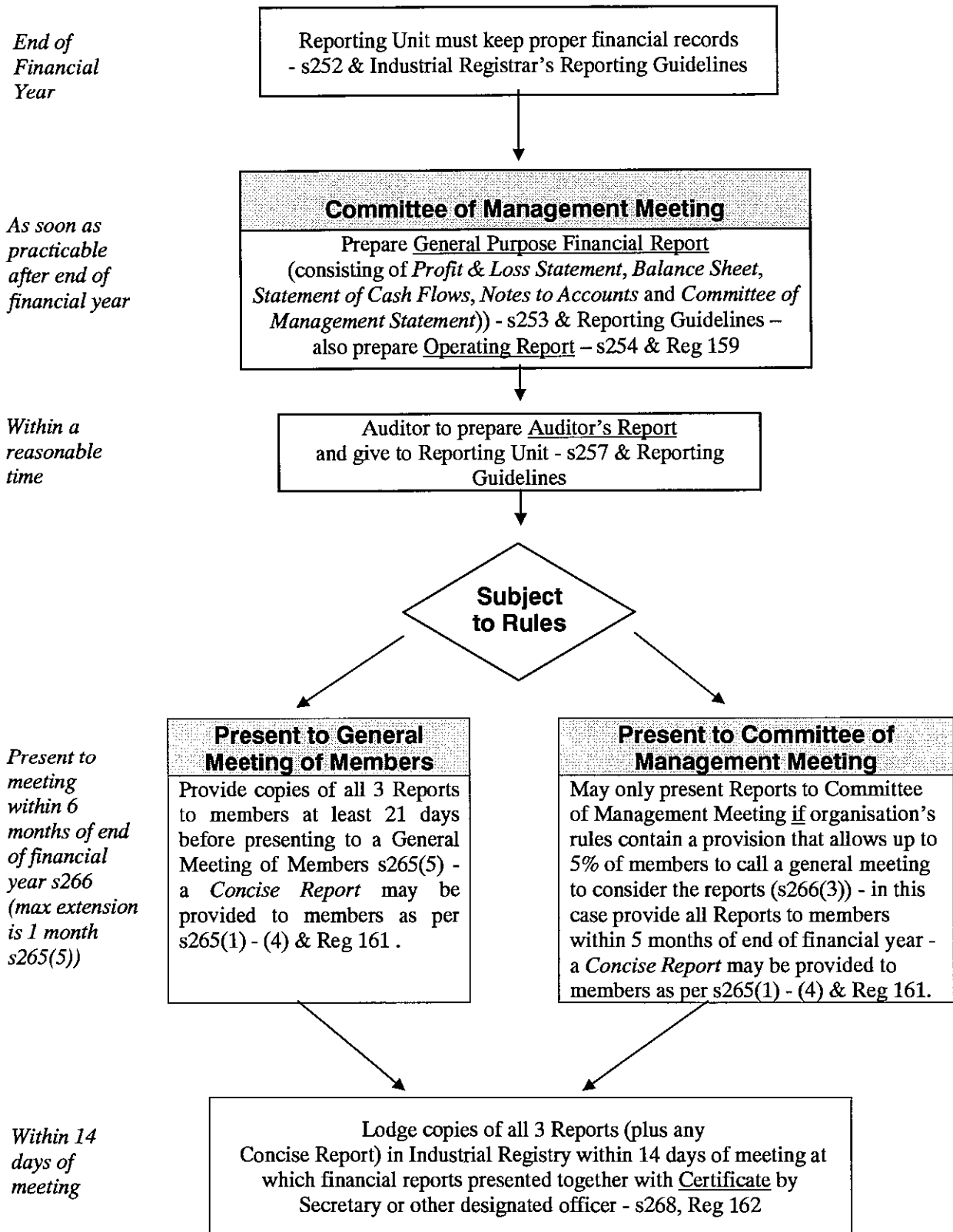

PETER VANDENHEUVEL
President


STEPHEN GRIFFITHS
Treasurer

Dated this 18TH day of AUGUST 2004

Financial Reporting Timeline (RAO Schedule)

Lodge financial reports within 6½ months of end of financial year by completing the following steps:





NECA

New South Wales chapter | **national electrical and communications association**
ABN 27 056 174 413
28 Burwood Road, Burwood New South Wales 2134 Australia
PO Box 1106 Burwood North New South Wales 2134
telephone +61 2 9744 1099 facsimile +61 2 9744 1830
email necansw@neca.asn.au website <http://www.neca.asn.au>

19 October, 2005

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

Dear Sir/Madam,

Please find attached the reports and accounts required for NECA NSW in accordance with the Workplace Relations Act for the year ended 30 June, 2005

Attached is:

- (a) Secretary's Statement regarding copies of account.
- (b) Financial Statements for the year ended 30 June, 2005 including:
 - (i) Executive Committee's Certificate
 - (ii) Accounting Officers Certificate
 - (iii) Auditors Report to Members

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The financial statements for the year ended 30 June, 2005 were forwarded to members on 7 September, 2005. The Annual General Meeting of members was held on 30 September, 2005. A copy of the Notice of the Annual General Meeting sent to members is also attached.

Details of donations:

- (a) Prizes totalling \$1000 to two TAFE students for outstanding performance in their electrical trades course.
- (b) \$1000 donation to the Olex Australia charity golf day with the donation being paid to an Australian charity.

Yours sincerely,



JAMES C TINSLAY
SECRETARY

Attach.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
NEW SOUTH WALES CHAPTER
SECRETARY'S STATEMENT**

I, James C Tinslay, being the Secretary of the National Electrical Contractors Association New South Wales Chapter, do hereby certify that the documents lodged herewith are true copies of the documents forwarded to members on 7 September, 2005 and presented to the Annual General Meeting of members of the Chapter held on 30 September, 2005.



.....
JAMES C TINSLAY, SECRETARY

Date: 19 October, 2005

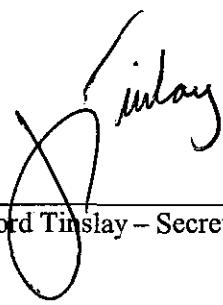
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

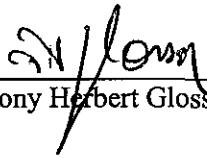
NEW SOUTH WALES CHAPTER

EXECUTIVE COMMITTEE'S CERTIFICATE

We, James Clifford Tinslay and Anthony Herbert Glossop, being two members of the Executive Committee of the National Electrical Contractors Association, New South Wales Chapter, do state on behalf of the Executive Committee and in accordance with a resolution passed by the Executive Committee that:

- I. in the opinion of the Executive Committee, the attached accounts show a true and fair view of the financial affairs of the New South Wales Chapter as at 30 June, 2005;
- II. in the opinion of the Executive Committee, meetings of the Executive Committee were held during the year ended 30 June, 2005, in accordance with the rules of the New South Wales Chapter;
- III. I to the knowledge of any member of the Executive, there have been no instances where records of the New South Wales Chapter or other documents (not being documents containing information made available to a member of the Association under sub-section 274(2) of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the rules of the Association, have not been furnished, or made available to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation; and
- IV. the organisation has complied with sub-section 279(1) and (6) of the Act in relation to the financial accounts in respect of the year ended 30 June, 2005, and the auditor's report thereon.


James Clifford Tinslay – Secretary


Anthony Herbert Glossop

Date: 19 October 2005.

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

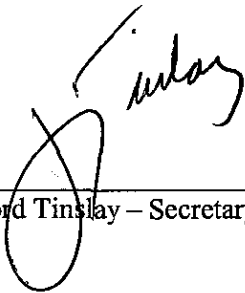
NEW SOUTH WALES CHAPTER

ACCOUNTING OFFICER'S CERTIFICATE

I, James Clifford Tinslay being the officer responsible for keeping the accounting records of the National Electrical Contractors Association New South Wales Chapter, certify that as at 30 June, 2005, the number of members of the Chapter was 1365.

In my opinion,

- I. the attached documents show a true and fair view of the financial affairs of the New South Wales Chapter as at 30 June, 2005;
- II. a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the organisation;
- III. before any expenditure was incurred approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- IV. with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- V. no loan or other financial benefits, other than remuneration in respect of their full-time employment with the New South Wales Chapter, were made to persons holding office in the New South Wales Chapter; and
- VI. the register of members of the organisation was maintained in accordance with the Workplace Relations Act 1996.


James Clifford Tinslay – Secretary

Date: 19 OCTOBER 2005.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - NEW SOUTH
WALES CHAPTER**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

National Electrical Contractors Association - New South Wales Chapter

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National Electrical Contractors Association - New South Wales Chapter

Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association - New South Wales Chapter for the financial year ended 30 June 2005.

Committee Members

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

Mr. S. Griffiths
Mr. JC Tinslay
Mr. R. Young
Mr. A.H Glossop
Mr. D. Madson
Mr. R. Bateman
Mr. K. Smith
Mr. T. Pollard
Mr. J. Hill

The following persons being elected officers of the association, as noted above, hold positions with superannuation entities as follows:

Mr. A.H. Glossop	- Director and Chairman of NESS Fund Trustee; - Director of NESS Pty Ltd acting as Trustee of NESS; - Director of CONNECT Fund
Mr. R. Young	- Director of NESS Fund Trustee; - Director of NESS Pty Ltd acting as Trustee of NESS
Mr. JC Tinslay	- Director of NESS Fund Trustee; - Fund Secretary of NESS Fund Trustee; - Director of NESS Pty Ltd as Trustee of NESS.

Principal Activities

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

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

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.

Significant Changes

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

Operating Result

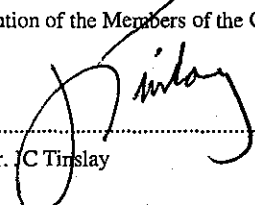
The profit from ordinary activities after providing for income tax amounted to \$425,713.


National Electrical Contractors Association - New South Wales Chapter
Operating Report by the Committee (cont'd)

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.

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


.....
Mr. C Tinslay


.....
Mr. S. Griffiths

Dated this 25th day of August 2005

National Electrical Contractors Association - New South Wales Chapter

Statement of Financial Performance For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
Revenue from ordinary activities:			
Administration fees		573,279	538,167
Annual Conference		-	111,264
Excellence Awards		105,838	93,855
Interest		138,164	110,012
Member services		442,409	407,478
Membership subscription		1,222,188	1,028,665
Project Fund income		54,602	203,779
Gain from sale of property, plant and equipment		2,919	12,161
Other revenues from ordinary activities		<u>95,630</u>	<u>70,567</u>
		2,635,029	2,575,948
Expenses from ordinary activities:			
Annual conference		-	(101,166)
Audit fees	3	(14,220)	(10,491)
Body Corporate fees		(35,978)	(35,114)
Consultancy fees		(5,622)	(223)
Depreciation and amortisation expenses		(108,022)	(129,324)
Donations		(2,000)	(1,818)
Education & Training - Project Fund		(54,602)	(203,779)
Electrocomms Commission		(14,270)	(12,409)
Excellence Award expenses		(94,533)	(85,203)
Employee benefits to holders of office		(194,410)	(174,124)
Employee benefits expenses		(758,428)	(695,856)
Insurance expenses		(31,091)	(40,326)
Legal expenses		(9,644)	(64,654)
Member services		(202,845)	(184,137)
Office expenses		(9,456)	(17,995)
Meeting expenses		(35,539)	(31,258)
Postage, printing & stationery		(166,593)	(139,266)
Rates & taxes		(45,967)	(45,192)
Subscriptions		(238,038)	(221,311)
Travelling and accommodation		(31,333)	(34,701)
Utilities expenses		(62,541)	(54,197)
Other expenses from ordinary activities		<u>(58,206)</u>	<u>(32,539)</u>
		(2,173,338)	(2,315,083)
Borrowing costs expense	3	<u>(35,978)</u>	<u>(35,114)</u>
Profit from ordinary activities		<u>425,713</u>	<u>225,751</u>
Total changes in equity other than those resulting from transactions with owners as owners	12	<u>425,713</u>	<u>225,751</u>

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Statement of Financial Position As at 30 June 2005

	Notes	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	4	1,001,607	736,874
Receivables	5	580,697	448,443
Other financial assets	7	3,747,994	3,540,857
Other	6	<u>21,655</u>	<u>211,986</u>
TOTAL CURRENT ASSETS		<u>5,351,953</u>	<u>4,938,160</u>
NON-CURRENT ASSETS			
Other financial assets	7	5	5
Property, plant and equipment	8	<u>1,896,426</u>	<u>1,953,217</u>
TOTAL NON-CURRENT ASSETS		<u>1,896,431</u>	<u>1,953,222</u>
TOTAL ASSETS		<u>7,248,384</u>	<u>6,891,382</u>
CURRENT LIABILITIES			
Payables	9	653,752	553,384
Provisions	10	2,120,300	2,217,697
Other	11	<u>461,563</u>	<u>534,610</u>
TOTAL CURRENT LIABILITIES		<u>3,235,615</u>	<u>3,305,691</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>6,357</u>	<u>4,992</u>
TOTAL NON-CURRENT LIABILITIES		<u>6,357</u>	<u>4,992</u>
TOTAL LIABILITIES		<u>3,241,972</u>	<u>3,310,683</u>
NET ASSETS		<u>4,006,412</u>	<u>3,580,699</u>
EQUITY			
Retained profits	13	<u>4,006,412</u>	<u>3,580,699</u>
TOTAL EQUITY	12	<u>4,006,412</u>	<u>3,580,699</u>

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Statement of Cash Flows For the year ended 30 June 2005

	Notes	2005 \$	2004 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		3,075,155	3,116,619
Payments to suppliers and employees		(2,687,744)	(2,992,158)
Interest received		<u>138,164</u>	<u>110,012</u>
Net cash provided by operating activities	16 (b)	<u>525,575</u>	<u>234,473</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		22,727	17,727
Payment for property, plant and equipment		(76,432)	(34,700)
Payment for investments		<u>(207,137)</u>	<u>100,000</u>
Net cash provided by/(used in) investing activities		<u>(260,842)</u>	<u>83,027</u>
Net increase in cash held		264,733	317,500
Cash at beginning of financial year		<u>736,874</u>	<u>419,374</u>
Cash at end of financial year	16 (a)	<u>1,001,607</u>	<u>736,874</u>

The accompanying notes form part of these financial statements.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the year ended 30 June 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996.

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) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

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

Freehold Land & Building

Freehold land and buildings are carried at cost or at independent or committee of managements' valuation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Buildings	2.5 %	Straight Line
Leasehold improvements	2.5 - 4 %	Straight Line
Motor Vehicles	20 %	Straight Line
Office Equipment	20 %	Straight Line
Furniture Fixtures and Fittings	10 - 20 %	Straight Line

(c) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors' to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements

For the year ended 30 June 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 the amounts expected to be paid when the liability is settled plus related on-costs. 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.

(e) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

Other revenue is recognised when the right to receive the revenue has been established.

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

(g) Project Funds - Provision for Industry Education and Training

Funds received from the Mechanical and Electrical Redundancy Trust (MERT) are initially placed into a Project Bank account and a liability is raised for provision of industry education and training. The Association uses these funds to subsidise training courses and to finance industry education and training related projects. Separate subsidiary records are maintained for the project account. Refer Note 15.

(h) Controlled Entities

Separate financial statements are prepared for any controlled entity. The New South Wales Chapter's financial statements and those of its controlled entities are consolidated in the financial statements of the economic entity "National Electrical Contractors Association". Therefore, no consolidated financial statements are prepared at the New South Wales Chapter level.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the year ended 30 June 2005

	Note	2005 \$	2004 \$
NOTE 2: REVENUE			
Operating activities			
- rendering of services		2,028,516	1,900,876
- royalties		48,479	27,171
- interest	2(a)	138,164	110,012
- operating grants		54,602	203,779
- other revenue		<u>342,541</u>	<u>316,382</u>
		<u>2,612,302</u>	<u>2,558,220</u>
Non - operating activities			
- proceeds of sale of property, plant and equipment		<u>22,727</u>	<u>17,728</u>
Total Revenue		<u>2,635,029</u>	<u>2,575,948</u>
(a) Interest from:			
- other persons		<u>138,164</u>	<u>110,012</u>
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities has been determined after:			
(a) Expenses:			
Borrowing costs:			
- other persons		<u>35,978</u>	<u>35,114</u>
Depreciation of non-current assets			
- Office Equipment		<u>108,022</u>	<u>129,324</u>
Bad and doubtful debts:			
- other entities		(745)	8,192
- bad debts recovered		<u>(28)</u>	<u>(1,054)</u>
Total bad and doubtful debts		<u>(773)</u>	<u>7,138</u>
Remuneration of the auditors for:			
- audit or review services		<u>14,220</u>	<u>10,491</u>
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- other non-current assets		<u>2,919</u>	<u>12,161</u>
NOTE 4: CASH ASSETS			
Cash at bank		<u>1,001,607</u>	<u>736,874</u>
NOTE 5: RECEIVABLES			
CURRENT			
Trade debtors		586,697	454,443
Less provision for doubtful debts		<u>(6,000)</u>	<u>(6,000)</u>
		<u>580,697</u>	<u>448,443</u>

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the year ended 30 June 2005

	Note	2005 \$	2004 \$
NOTE 6: OTHER ASSETS			
CURRENT			
Prepayments		14,326	24,240
Other current assets		<u>7,329</u>	<u>187,746</u>
		<u>21,655</u>	<u>211,986</u>
NOTE 7: OTHER FINANCIAL ASSETS			
CURRENT			
Other current investments		<u>3,747,994</u>	<u>3,540,857</u>
The Association has investments with Westpac Financial Services. The investments are pooled in Enhanced Cash Funds and were at a redemption price of \$1.0664 (2004: \$1.0428) per unit at balance date.			
NON-CURRENT			
Shares in related entities			
- in MERT Pty Limited at cost - 25% owned (2004: 25%)		1	1
- in New South Wales Electrical Superannuation Scheme at cost - 50% owned (2004: 50%)		<u>2</u>	<u>2</u>
		<u>3</u>	<u>3</u>
Shares in controlled entities - 100% owned (2004: 100%)			
- ECA Training Pty Limited at cost		<u>2</u>	<u>2</u>
		<u>5</u>	<u>5</u>
NOTE 8: PROPERTY, PLANT AND EQUIPMENT			
BUILDINGS			
At cost		2,005,627	2,005,627
Less accumulated depreciation		<u>(255,333)</u>	<u>(205,098)</u>
		<u>1,750,294</u>	<u>1,800,529</u>
Total land and buildings		<u>1,750,294</u>	<u>1,800,529</u>
PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		127,469	138,396
Less accumulated depreciation		<u>(64,688)</u>	<u>(73,268)</u>
		<u>62,781</u>	<u>65,128</u>
(b) Office equipment			
At cost		262,307	306,257
Less accumulated depreciation		<u>(206,494)</u>	<u>(253,569)</u>
		<u>55,813</u>	<u>52,688</u>
(c) Furniture, fixtures and fittings			
At cost		96,131	96,131
Less accumulated depreciation		<u>(68,593)</u>	<u>(61,259)</u>
		<u>27,538</u>	<u>34,872</u>
Total plant and equipment		<u>146,132</u>	<u>152,688</u>
Total property, plant and equipment		<u>1,896,426</u>	<u>1,953,217</u>

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the year ended 30 June 2005

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings	Motor vehicles	Office equipment	Furniture, fixtures & fittings
	\$	\$	\$	\$
2005				
Balance at the beginning of the year	1,800,529	65,128	52,688	34,873
Additions	-	43,929	32,503	-
Disposals	-	(25,202)	-	-
Depreciation expense	(50,235)	(21,074)	(29,378)	(7,335)
Carrying amount at end of year	<u>1,750,294</u>	<u>62,781</u>	<u>55,813</u>	<u>27,538</u>

Total

\$

2005	
Balance at the beginning of the year	1,953,218
Additions	76,432
Disposals	(25,202)
Depreciation expense	(108,022)
Carrying amount at end of year	<u>1,896,426</u>

NOTE 9: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	609,329	526,961
Sundry creditors and accruals	<u>44,423</u>	<u>26,423</u>
	<u>653,752</u>	<u>553,384</u>

NOTE 10: PROVISIONS

CURRENT

Employee benefits	10(a)	243,072	190,094
Provision for Education & Training - Project Fund		1,868,372	2,007,460
Other		<u>8,856</u>	<u>20,143</u>
		<u>2,120,300</u>	<u>2,217,697</u>

NON-CURRENT

Employee benefits	10(a)	<u>6,357</u>	<u>4,992</u>
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(a) Aggregate employee benefits liability	<u>249,429</u>	<u>195,086</u>
(b) Number of employees at year end	<u>12</u>	<u>12</u>

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the year ended 30 June 2005

	Note	2005 \$	2004 \$
NOTE 11: OTHER LIABILITIES			
CURRENT			
Deferred income		459,721	530,190
Other current liabilities		<u>1,842</u>	<u>4,420</u>
		<u>461,563</u>	<u>534,610</u>

NOTE 12: MEMBERS' FUNDS

Total equity at the beginning of the financial year		3,580,699	3,354,948
Total changes in equity recognised in the statement of financial performance		<u>425,713</u>	<u>225,751</u>
Total equity at the reporting date		<u>4,006,412</u>	<u>3,580,699</u>

NOTE 13: ACCUMULATED SURPLUS

Retained profits at the beginning of the financial year		3,580,699	3,354,948
Net profit (loss) attributable to members of the entity		<u>425,713</u>	<u>225,751</u>
Retained profits at the end of the financial year		<u>4,006,412</u>	<u>3,580,699</u>

NOTE 14: RELATED PARTY TRANSACTIONS

(a) Executive Committee Members

The names of each person on the Executive Committee of the Association during the financial year are Messrs R Young, S Griffiths, A H Glossop, D R Madson, K. Smith, R J Bateman, T Pollard, J. Hill and J C Tinslay (secretary).

No member of the Executive Committee received any remuneration during the year for performing their duties as a member of the Executive Committee.

(b) ECA Training Pty Limited

The Association charges administration fees to ECA Training Pty Limited for the expenses incurred on its behalf and for the provision of administrative services and occupancy of Level 3 of 28 Burwood Road. A fixed fee of \$50,000 based on a commercial estimate of time and cost involved in providing these services is charged on a quarterly basis.

The Association also provides part funding to the company from its Project Fund (Note 1(j)) for training of apprentices. The amount paid / payable during the year was \$60,000 (2004:\$60,000).

The Association also has an investment in Westpac Financial Services on behalf of the company. At balance date, the total investment was \$1,525,991 (2004:\$1,441,656). The investment is not included in these accounts.

NOTE 15: SEGMENT REPORTING

The Association primarily operates New South Wales, Australia representing the interests of its members in electrical and construction industry.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the year ended 30 June 2005

	Note	2005 \$	2004 \$
NOTE 16: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash at bank		<u>1,001,607</u>	<u>736,874</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Surplus from ordinary activities after income tax		425,713	225,751
Non-cash flows in profit from ordinary activities			
Depreciation		108,022	129,324
Net (gain) / loss on disposal of property, plant and equipment		(2,919)	5,567
Changes in assets and liabilities			
(Increase)/decrease in receivables		(132,254)	10,594
(Increase)/decrease in other assets		190,331	(81,230)
Decrease in inventories		-	4,374
increase/(decrease) in payables		32,714	(62,863)
increase/(decrease) in provisions		<u>(96,032)</u>	<u>2,956</u>
Cash flows from operations		<u>525,575</u>	<u>234,473</u>

NOTE 17: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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 classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Floating Interest Rate		Total	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets:								
Cash	4.30	4.05	-	-	929,894	736,874	1,001,607	736,874
Investments	-	-	<u>3,747,994</u>	<u>3,540,857</u>	-	-	<u>3,747,994</u>	<u>3,540,857</u>
Total Financial Assets			<u>3,747,994</u>	<u>3,540,857</u>	<u>929,894</u>	<u>736,874</u>	<u>4,749,601</u>	<u>4,277,731</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	-	-	<u>1,307,504</u>	<u>553,384</u>
Total Financial Liabilities			-	-	-	-	<u>1,307,504</u>	<u>553,384</u>

(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 is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

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.

National Electrical Contractors Association - New South Wales Chapter

Notes to the Financial Statements For the year ended 30 June 2005

NOTE 17: FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values

The net fair values of are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value. For unlisted investments where there is no organised financial market the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows of the investment.

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold these assets to maturity.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 18: PROJECT FUND

Prior to 2002, the Association received funding for industry education and training projects arising from submissions to the Mechanical and Electrical Redundancy Trust (MERT). There has been no funding from MERT since the period ended 30 June 2002 and no further funding is expected. During the year the Association incurred \$249,421 (2004:\$358,031) on these training projects in related costs.

The Association received reimbursement of \$194,338 (2004:\$153,592) from the Project Fund for direct expenses incurred with industry initiatives associated with training, occupational health & safety and the like. Interest received during the year of \$110,333 (2004:\$116,705) has been credited to the project fund.

Separate subsidiary records and bank accounts are maintained for the receipts from MERT. The Association uses these funds to subsidise training courses and to finance industry education and training related projects.

At 30 June 2005, \$1,868,373 remained in the project account. The assets and liabilities of the Trust are disclosed in the financial statements as follows:

	2005	2004
Cash at Bank - Project Fund	33,438	78,844
Debtors	11,046	8,420
Investment	1,894,004	1,988,448
Fixed assets - carrying amount	1,666	7,097
Trade creditors	(71,782)	(75,349)
	<u>1,868,372</u>	<u>2,007,460</u>
Provision for industry education & training - Project Fund	<u>1,868,372</u>	<u>2,007,460</u>

NOTE 19: ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association - New South Wales Chapter
Level 3, 28 Burwood Road
Burwood NSW 2134

National Electrical Contractors Association - New South Wales Chapter


Statement by members of the committee

In the opinion of the committee the financial report as set out on pages 3 to 13:

1. presents fairly the financial position of National Electrical Contractors Association - New South Wales Chapter as at 30 June 2005 and its performance for the financial year ended on that date in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. the financial statements and notes comply with the reporting guidelines of the Industrial Registrar.
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the association for the financial year ended on 30 June 2005.
4. at the date of this statement, there are reasonable grounds to believe that National Electrical Contractors Association - New South Wales Chapter will be able to pay its debts as and when they fall due.
5. during the financial year and since the end of the year:
 - a) meetings of the committee were held in accordance with the rules of the association;
 - b) the financial affairs of the association have been managed in accordance with the rules of the association;
 - c) the financial records of the association have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - d) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

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


.....
Mr. JC Tinslay


.....
Mr. S. Griffiths

Dated this 25th day of August 2005

Bentleys MRI Sydney Partnership
ABN 27 526 269 695

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Sydney NSW 2001

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Independent Audit Report to the members of National Electrical Contractors Association - New South Wales Chapter

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 statement by members of the committee for National Electrical Contractors Association - New South Wales Chapter, for the 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 Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, 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 requirements of the Registration and Accountability of Organisations Legislation (RAO) Schedule 1B of the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of their performance as represented by the results of 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.

Independence

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


Audit Opinion

In our opinion,

- (i) 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 the expenditure;
- (ii) 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 and applicable Accounting Standards and other mandatory professional reporting requirements, are drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the National Electrical Contractors Association - New South Wales Chapter as at 30 June 2005;
 - (b) the statement of income and expenditure, cash flows and surplus of the Association for the financial year ended on that date; and
 - (c) 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
Sydney Partnership


Robert B. Ryn
Partner

Dated this 25th day of August 2005

National Electrical Contractors Association - New South Wales Chapter

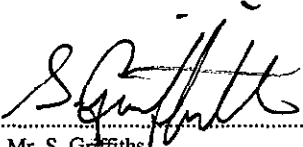
CERTIFICATE BY MEMBER OF THE COMMITTEE

I, J C Tinslay of 28 Carter Street, CAMMERAY, NSW 2062, and I, G. Griffiths of 10 Shaw Avenue, EARLWOOD, NSW 2206 certify that:

- (a) We are members of the committee of National Electrical Contractors Association - New South Wales Chapter.
- (b) We are authorised by the attached resolution of the committee to sign this certificate.
- (c) This annual statement was submitted to the members of the association at its annual general meeting.

Dated this 25th day of August 2005


.....
Mr. JC Tinslay
Committee Member


.....
Mr. S. Griffiths
President & Committee Member