



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
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Mr Laurence John Moore  
Secretary  
The National Electrical Contractors Association  
South Australian Chapter  
213 Greenhill Rd  
EASTWOOD SA 5063

By facsimile: [necasa@neca.asn.au](mailto:necasa@neca.asn.au)

Dear Mr Moore,

**Re: Financial Reports for year ending 30 June 2004 - FR 2004/322**  
**Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)**

I acknowledge receipt of the financial reports for the South Australian Chapter of The National Electrical Contractors Association for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 10 August 2005.

This is the first lodgment by the organisation of its audited financial reports under the RAO (Registration and Accountability of Organisations) Schedule which commenced on 12 May 2003.

The documents have been filed.

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.

Due date for next financial return is 15 January 2006

Financial reports must be prepared, provided to members, presented to a meeting and lodged in the Registry within 6 ½ months of the end of the financial year - see the enclosed *RAO Timeline*.

Therefore organisations with a financial year ending 30 June must lodge their financial reports by 15 January of the next year. The maximum extension that is available is a further 1 month.

Accordingly, for year ending 30 June 2005 please ensure that the following documents are prepared, provided to members and lodged in the Registry by 15 January 2006:

- the General Purpose Financial Report,
- the Committee of Management Statement,
- the Audit Report, and
- the Operating Report.

The documents should then be lodged in the Registry under cover of a Designated Officer's Certificate prepared under s268 of the RAO Schedule.

Auditor's Report

The Auditor's Report should be revised so that it:

- confirms whether, in the Auditor's opinion, the accounts are presented fairly in accordance with the *Australian Accounting Standards* and the requirements of the RAO Schedule – see s257(5) of the RAO Schedule, and

- confirms that the auditor is an *approved auditor*. Regulation 4 of the RAO Regulations defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

### Operating Report

The Operating Report should give details of any officer or member of the branch who 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).

### Note 2 to the Accounts

Note 2 to the Accounts should be amended so that it refers to s272 of the RAO Schedule rather than s274 of the Workplace Relations Act.

### Further information

For your assistance in future financial years, we recommend that you and your accountant/auditor refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- RAO Schedule
- RAO Regulations
- Registrar's Reporting Guidelines - All General Purpose Financial Reports must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- RAO Fact Sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

If you have any queries, please contact me by email at [andrew.schultz@air.gov.au](mailto:andrew.schultz@air.gov.au) or by phone on (03) 8661 7799.

Yours faithfully,

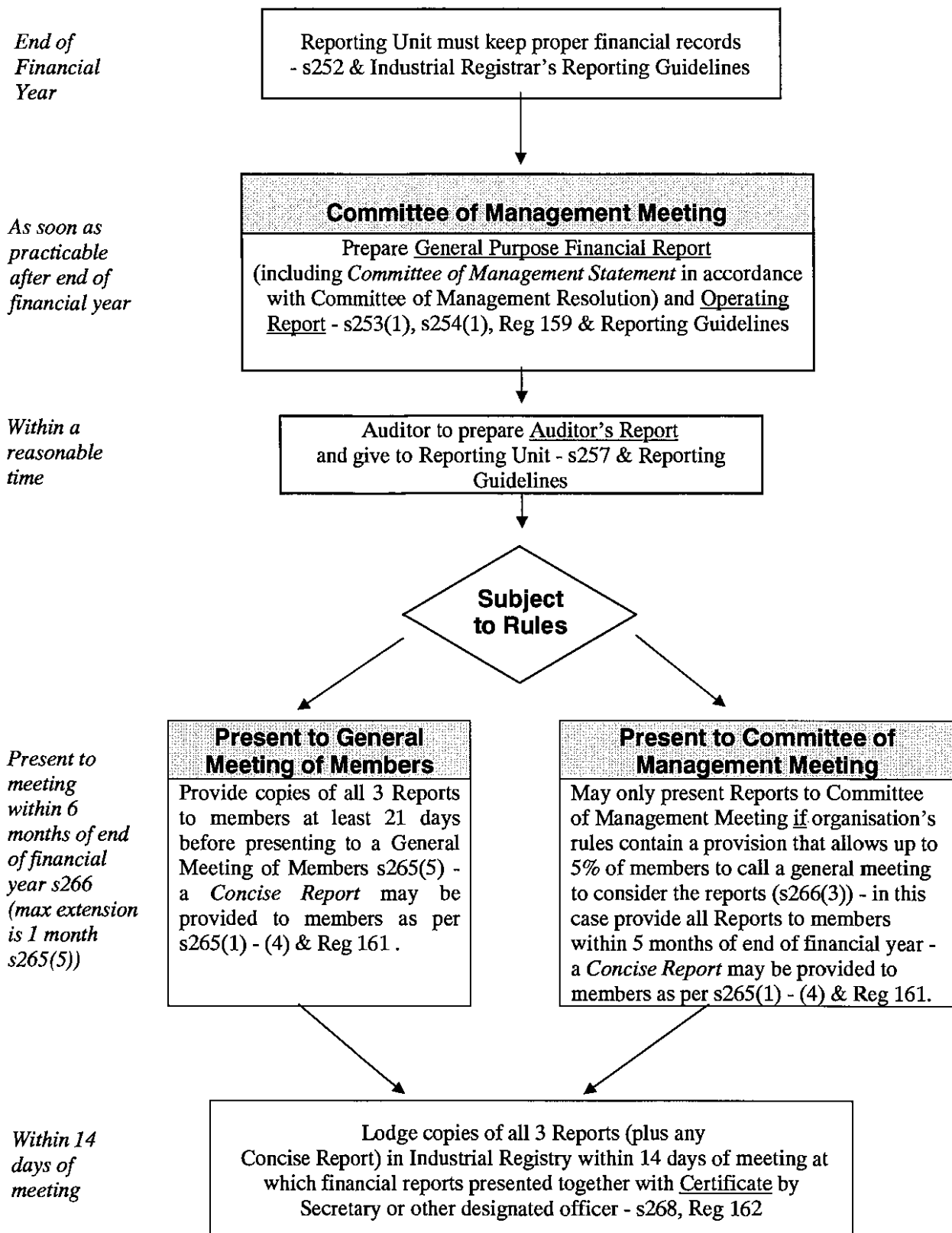


Andrew Schultz  
Statutory Services Branch

22 September 2005

# Financial Reporting Timeline (RAO Schedule)

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



**neca**

South Australian chapter

**national electrical and communications association**

213 Greenhill Road Eastwood South Australia 5063 Australia

PO Box 47 Fullarton South Australia 5063

telephone: (08) 8272 2966

facsimile: (08) 8373 1528

email: necasa@neca.asn.au

website: <http://www.neca.asn.au>

8 August 2005

FR 2004/322

Deputy Industrial Registrar  
Australian Industrial registry  
GPO Box 539  
Canberra City ACT 2601


Dear Sir/Madam

**Designated Officer's Certificate**

I, Laurence John Moore, being the Secretary of the National Electrical Contractors Association – South Australian Chapter, 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 the 10<sup>th</sup>. of September 2004; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 27<sup>th</sup>. of September 2004, in accordance with s266 of the RAO Schedule

Signed

  
Laurence John Moore (Secretary)

Dated the 8th day of August 2005

**NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION  
SOUTH AUSTRALIAN CHAPTER**

**Financial Statements**

**For Year Ending**

**30 June 2004**

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### **Operating report by the Committee**

The Committee members submit the financial report of the National Electrical Contracting Association – South Australia Chapter (“the association”) for the financial year ending 30 June 2004.

#### **Members of the Committee of Management**

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

P. Vandenneuval	President
F. Russo	Vice President
G. McDougall	Treasurer
A. Aitchison	
J. Robinson	
L. Moore	
R. Lane	
G. Sims	(elected 22/7/03)
G de Fries	(not relected 22/7/03)

#### **Principal Activities**

The principal activity of the Association during the reporting period was to represent the interests of its members in the electrical and communications industry consistent with the objects of the Association.

#### **Significant Changes**

There were no significant changes in the nature of the Association’s principle activities occurred during the reporting period.

#### **Operating Result**

Profit from ordinary activities amounted to **\$35837**

#### **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 number of persons who, at the end of the reporting period, were recorded on the Registry of Members of the association was 456.

#### **Manner of resignation**

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

**Rule 11 of the rules reads as follows:**

**11 - RESIGNATION FROM MEMBERSHIP**

- (a) A member may resign from membership by written notice addressed and delivered to the Secretary of the Chapter to which such member belongs.
- (b) A notice of resignation from membership takes effect:
  - (i) where the member ceases to be eligible to become a member:-
    - (1) on the day on which the notice is received by the Organisation; or
    - (2) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member, whichever is later; or
  - (ii) In any other case at the end of two weeks after the notice is received by the Organisation or on the day specified in the notice whichever is later.
- (c) Any dues payable but not paid by a former member in relation to a period before the member's resignation from the Organisation took effect may be sued for and recovered in the name of the Organisation in a court of competent jurisdiction as a debt due to the Organisation.
- (d) A notice delivered to a Chapter Secretary shall be taken to have been received by the Organisation when it was delivered.
- (e) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered in accordance with sub-rule (a).
- (f) A resignation from membership of the Organisation is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.

**Number of Employees**

The number of employees who were at the end of the reporting period, employees of the Association was 5.

Signed

  
Laurence John Moore (Secretary)

Dated the 8th day of August 2005



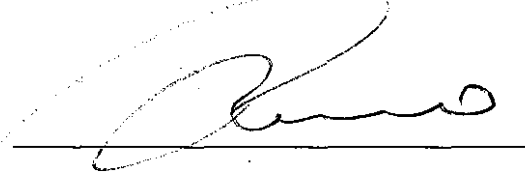
**Committee of Management Statement**

On 30<sup>th</sup> August 2004 the Committee of Management of the National Electrical Contractors Association – South Australian Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the entity for the financial year ended 30<sup>th</sup> June 2004.

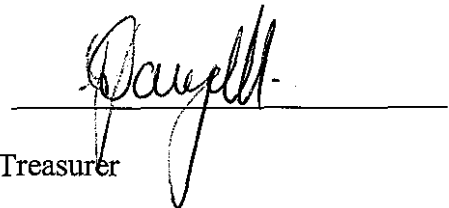
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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 gives 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; and
  - (iii) the financial records of reporting unit have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
  - (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



President



Treasurer

Dated the TENTH day of AUGUST 2005

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2004**

	Notes	2004 \$	2003 \$
Revenue from Ordinary Activities	3(a)	635,526	609,227
Employee Expenses		275,207	250,192
Depreciation and Amortisation Expenses		8,781	16,042
Interest Expense		531	933
Accounting and Audit Fees		6,400	6,536
Bad debts		3,751	14,677
— Excellence Awards		57,061	48,733
National Subscriptions		63,549	57,341
Royal Commission Costs		-	9,552
Property Expenses		39,400	51,589
Recoverable expenses		12,972	9,376
Printing postage and general expenses		50,664	52,946
Telephone and power		17,517	17,511
Other Operating Expenses		63,556	104,044
Profit/(Loss) from Ordinary Activities		35,837	(30,345)
Total changes in equity		35,837	(30,345)

The accompanying notes form part of these audited financial statements

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2004

	Notes	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	4	61,244	47,360
Receivables	5	48,531	19,415
<b>TOTAL CURRENT ASSETS</b>		<u>109,775</u>	<u>66,775</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,238,536	1,240,645
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,238,536</u>	<u>1,240,645</u>
<b>TOTAL ASSETS</b>		<u>1,348,311</u>	<u>1,307,420</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	7	75,703	67,960
Interest Bearing Liabilities	8	3,617	5,066
Provisions	9	43,269	40,832
<b>TOTAL CURRENT LIABILITIES</b>		<u>122,589</u>	<u>113,918</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	8	-	3,617
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>3,617</u>
<b>TOTAL LIABILITIES</b>		<u>122,589</u>	<u>117,535</u>
<b>NET ASSETS</b>		<u>1,225,722</u>	<u>1,189,885</u>
<b>EQUITY</b>			
Reserves	10	583,639	583,639
Retained profits	11	642,083	606,246
<b>TOTAL EQUITY</b>		<u>1,225,722</u>	<u>1,189,885</u>

The accompanying notes form part of these audited financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members/non-members		650,590	518,030
Payments to suppliers and employees		(631,082)	(630,888)
Interest received		6,645	7,052
Interest and other costs of finance paid		(531)	(933)
<b>Net cash flow from operating activities</b>	12	<u>26,922</u>	<u>(16,739)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(6,572)	(23,702)
<b>Net cash flow from investing activities</b>		<u>(6,572)</u>	<u>(23,702)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability		(5,066)	(4,563)
<b>Net cash flow from financing activities</b>		<u>(5,066)</u>	<u>(4,563)</u>
Net increase/(decrease) in cash held		13,584	(35,104)
Cash at the beginning of the financial year		47,360	82,464
<b>Cash at the end of the financial period</b>	12	<u>61,244</u>	<u>47,360</u>

The accompanying notes form part of these audited financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

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**NOTE 1 - PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and the Workplace Relations Act 1998. They are prepared in accordance with the historical cost convention, except where otherwise noted.

**(a) Property Plant and Equipment**

Each class of property plant and equipment are measured is carried at fair value less, where applicable, and accumulated depreciation.

**(b) Property**

The investment property is valued on the fair value basis, being the amount for which an asset could be exchanged between a knowledgeable willing parties in an arms length transaction. It is the policy of the Committee to have an independent valuation of the property every three years with annual appraisals being made by the Committee members.

An independent valuation was obtained in June 2002 of the fair market value based on existing use. Revaluations do not result in the carrying value of the investment properties exceeding their recoverable amount.

**Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of its recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows from 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 on a straight line basis over their useful lives from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation.

The depreciation rates used for each class of depreciable asset:

Office machines	18- 37.5%
Furniture and Fittings	7.5- 20%
Computer Equipment	40%
Motor Vehicles	22.5%

**(c) Employee Benefits**

Provision is made in the entities accounts for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year are 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 estimated future cash flows to be made for those benefits.

**(d) Income Tax**

No provision for income tax is necessary as "Registered Organisations" are exempt from income tax under Section 50-5 of the Income Tax Assessment Act.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

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**NOTE 1 - PRINCIPAL ACCOUNTING POLICIES (CONT)**

**(e) Statement of Cash Flows**

For the purposes of the Summary of Cash Flows, cash includes cash at bank and short term deposits which are readily converted to cash on hand.

**(f) Leased Non-Current Assets**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the economic entity will obtain ownership of the asset. Lease assets held at the reporting date are being amortised over periods ranging from 5 to 15 years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

Other operating lease payments are charged to the profit and loss account in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

**NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sub-sections (1), (2) and (3) of section 274(4), which read as follows:

- (1) A member of an organisation, or a Registrar, may apply 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.

Penalty: \$1,000

- (3) A Registrar may only make an application under Sub-section (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.

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES</b>		
Subscriptions received	318,191	304,897
Interest received	6,645	7,052
Stationery and service fees	16,685	22,656
Petrol invoices recharges	32,454	33,045
Commission received	34,943	35,555
Rent received	139,228	106,332
Administration fees	4,873	13,481
Excellence Awards fees	53,201	40,362
Contractual services	5,882	4,000
Recoverable expenses	5,406	9,376
Advertising	3,782	7,177
Other Revenue	18,236	16,494
<b>TOTAL REVENUE</b>	<b>640,526</b>	<b>609,227</b>
<b>(b) EXPENSES FROM ORDINARY ACTIVITIES</b>		
Interest	531	993
Depreciation and Amortisation	8,781	16,042
Salaries	275,207	250,192
Accounting and Audit Fees	6,400	6,636
Bad debts	3,725	14,677
Excellence Awards	68,561	49,431
Neca National Subs	63,649	98,322
Property Expenses	39,400	58,245
Recoverable expenses	12,872	9,376
Other Operating Expenses	142,093	135,663
<b>TOTAL</b>	<b>621,319</b>	<b>639,572</b>
<b>NOTE 4 - CASH</b>		
Westpac Bank - Current account	41,825	47,260
- Cash management account	19,219	-
Petty Cash	200	100
<b>Total Cash</b>	<b>61,244</b>	<b>47,360</b>
<b>NOTE 5 - CURRENT ASSETS - RECEIVABLES</b>		
Debtors - subscriptions and advertising	34,523	18,027
Provision for doubtful debts	(3,000)	(3,000)
Prepayments	17,008	4,394
	<b>48,531</b>	<b>19,415</b>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
<b>NOTE 6 - PROPERTY, PLANT AND EQUIPMENT</b>		
Land and building - at Independent valuation 30 June 2002	1,190,000	1,190,000
Office machines - at cost	51,420	48,840
Less: accumulated depreciation	41,066	37,975
	<u>10,354</u>	<u>10,865</u>
Computer equipment - at cost	72,155	68,971
Less: accumulated depreciation	62,078	58,228
	<u>10,077</u>	<u>10,743</u>
Furniture & fittings - at cost	114,930	114,023
Less: accumulated depreciation	100,211	99,751
	<u>14,719</u>	<u>14,272</u>
Hire purchase - motor vehicle	26,365	26,365
Less: accumulated depreciation	12,979	11,600
	<u>13,386</u>	<u>14,765</u>
<b>Total plant and equipment</b>	<u><u>1,238,536</u></u>	<u><u>1,240,645</u></u>

**(a) Movement 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.

	Building \$	Office Machines \$	Computer Equipment \$	Furniture & Fittings \$	Motor Vehicle \$	Total
Balance at the beginning of year	1,190,000	10,865	10,743	14,272	14,765	1,240,645
Additions	-	2,581	3,184	907	-	6,672
Depreciation	-	(3,092)	(3,850)	(460)	(1,379)	(8,781)
Carrying Value at end of year	<u>1,190,000</u>	<u>10,354</u>	<u>10,077</u>	<u>14,719</u>	<u>13,386</u>	<u>1,238,536</u>



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
<b>NOTE 7 - CURRENT LIABILITIES - ACCOUNTS PAYABLE</b>		
Sundry creditors	3,046	5,101
Other creditors	18,707	11,159
Bond monies payable	47,950	51,700
	<u>75,703</u>	<u>67,960</u>
 <b>NOTE 8 - CURRENT LIABILITIES - INTEREST BEARING LIABILITIES</b>		
Hire purchase liability	<u>3,617</u>	<u>5,066</u>
	<u>3,617</u>	<u>5,066</u>
 <b>NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES</b>		
-Hire purchase liability	-	3,617
	-	<u>3,617</u>
 <b>HIRE PURCHASE COMMITMENT</b>		
Not later than 1 year	3,731	5,597
Later than 1 year, not later than 2 years	-	3,731
Minimum Hire Purchase payments	3,731	5,328
Deduct: future finance charges	(114)	(644)
Hire purchase liability	<u>3,617</u>	<u>4,684</u>

## NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
<b>NOTE 9 - PROVISIONS</b>		
<b>CURRENT</b>		
Provision for long service leave	6,700	5,815
Provision for annual leave	36,569	35,077
<b>Total current provisions</b>	<u>43,269</u>	<u>40,892</u>
<b>Total number of employees at the year end</b>	<u>5</u>	<u>5</u>
<b>NOTE 10 - RESERVES</b>		
Asset revaluation reserve:		
Balance 1 July 2003 and 30 June 2004	<u>583,639</u>	<u>583,639</u>
<b>NOTE 11 - RETAINED PROFITS</b>		
Retained Profits at beginning of financial year	606,246	638,591
Net Profit/(deficit) Attributable to the association	35,837	(30,345)
Retained Profits at end of financial year	<u>642,083</u>	<u>608,246</u>
<b>NOTE 12 - RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES TO OPERATING PROFIT/(LOSS)</b>		
Operating profit (loss)	35,837	(30,345)
Depreciation expense	8,781	16,042
Increase/(decrease) in leave provisions	2,377	1,106
Increase/(decrease) in accounts payable	7,743	(34,670)
Decrease/(increase) in debtors	(29,118)	31,128
<b>Net cash flow from operating activities</b>	<u>25,622</u>	<u>(6,739)</u>
Cash at the end of the financial year as shown on the statement of cash flows is represented by:		
Cash (Note 4)	<u>81,244</u>	<u>47,350</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

**NOTE 12 - RECONCILIATION OF NET CASH INFLOW  
FROM OPERATING ACTIVITIES TO OPERATING PROFIT/(LOSS) (CONT)**

**Credit Standby Arrangements with banks:**

Bank overdraft facilities are arranged with Westpac Banking Corporation. The amount of unused credit facility as at 30 June 2004 was \$300,000 with a limit of \$300,000. Interest rates on this facility are variable and subject to adjustment.

**NOTE 13 - REMUNERATION OF AUDITORS**

Amounts received, or due and receivable by the auditor of the Association for auditing the accounts of the chapter:

- Audit fees
- Other services

	2004	2003
	\$	\$
	5,250	5,250
	1,150	1,386
	<u>6,400</u>	<u>6,636</u>

**NOTE 14 - RELATED PARTIES**

The names of persons who were committee members of the association at any time during the financial year are as follows:

- P Vandenhoevel                      President
- F Russo                                      Vice President
- G McDougall                              Treasurer
- A Aitchison
- J Robinson
- L Moore
- R Lane
- G de Vries (not re-elected 22/7/03)
- D Sims (elected 22/7/03)

Their involvement with NECA affiliated bodies are listed hereunder:

NAME	ORGANISATION	OFFICE HELD
P Vandenhoevel	NECA National	President National Councillor National Executive Member
F Russo	NECA National	National Councillor
J Robinson	PEER Training Inc PEER Tec Inc	Director Director
A Aitchison	NECA Communications Council	Councillor

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2003**

**NOTE 14 - RELATED PARTIES (CONT)**

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

During the year the National Electrical Contractors Association - SA Chapter received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was \$Nil.

The National Electrical Contractors Association - SA Chapter remits subscriptions and other related expenses to the National Electrical Contractors Association on a regular basis. All dealings with this related entity are in the ordinary course of business and on normal terms and conditions. The total amount of monies remitted was \$61,419 for the year ended 30 June 2004 (2003: \$57,341).

**NOTE 15 - FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The Authority'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:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2004 %	2003 %	2004 \$	2003 \$	Within 1 Year		1 to 5 Years	
Financial Assets	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Cash	1.35	1.8	61,044	47,260	-	-	-	-
Total Financial Assets	-	-	61,044	47,260	-	-	-	-
Financial Liabilities	-	-	-	-	-	-	-	-
Lease Liabilities	8.3	11.1	-	-	3,617	5,088	-	3617
Total Financial Liabilities	-	-	-	-	3,617	5,088	-	3617

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

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**NOTE 15 - FINANCIAL INSTRUMENTS (CONT)**

**(b) Credit Risk**

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

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

**(c) Net Fair Values**

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid 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. Financial assets where their carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

**INDEPENDENT AUDIT REPORT  
TO MEMBERS OF NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – SA  
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 – SA Chapter, for the year ended 30 June 2004.

The Committee is responsible for the preparation and true and fair presentation of the financial report. 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 and Assurance 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 applicable 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.

**Independence**

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

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**Audit opinion**

In our opinion, the financial report of National Electrical Contractors Association – SA Chapter presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of National Electrical Contractors Association – SA Chapter as at 30 June 2004, and the results of its operations and its cash flows for the year then ended.

**GRANT THORNTON  
CHARTERED ACCOUNTANTS**



**S J Gray**  
Partner

Signed at Adelaide this 3<sup>rd</sup> day of August 2004

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
<b>INCOME</b>		
Commission property and investment income	136,954	83,635
Other income from members	362,775	355,024
Petrol income	32,454	33,045
Administration fees received	4,873	13,481
Recoverable expenses	-	-
Excellence awards	(3,860)	629
<b>TOTAL INCOME</b>	<b>533,197</b>	<b>485,814</b>
<b>LESS INDIRECT EXPENSES</b>		
Accountancy and audit fees	8,400	6,636
Annual leave provision	1,491	9,764
Bad debts	3,751	14,677
Computer programs, maintenance costs and updates	2,156	2,077
Depreciation	8,781	16,042
NECA national subscriptions	63,649	57,341
Royal Commission Costs	-	9,552
Executive, meeting and function expenses	12,162	14,199
Long service leave provision	885	1,344
Advertising and promotions expenses	8,512	6,298
Newsletter expenses	16,056	15,188
Motor vehicle expenses	6,299	5,580
Postage, printing and stationery and general expenses	66,047	81,902
Salaries and wages	275,207	250,192
Subscriptions to outside bodies	6,422	5,052
Telephone and power	17,517	17,714
Workcover	2,025	2,801
<b>TOTAL INDIRECT EXPENSES</b>	<b>497,360</b>	<b>516,159</b>
<b>NET SURPLUS(DEFICIT)</b>	<b>35,837</b>	<b>(30,345)</b>



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**SCHEDULES TO THE PROFIT & LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>COMMISSION PROPERTY AND INVESTMENT INCOME</b>		
Commission received	34,943	35,555
Interest and dividends received	6,645	7,052
Rent received	139,228	106,332
<b>Gross Income</b>	<u>180,816</u>	<u>148,939</u>
<b>Less: Direct Expenses</b>		
Bank charges	4,462	4,702
Rates, taxes and insurance	9,975	9,013
Building expenses	29,425	51,589
<b>Total Direct Expenses</b>	<u>43,862</u>	<u>65,304</u>
<b>Net Property and Investment Income</b>	<u>136,954</u>	<u>83,635</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**SCHEDULES TO THE PROFIT & LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<b>OTHER INCOME FROM MEMBERS</b>		
Subscriptions	318,191	304,397
Sundry income - stationery and service fees	16,685	22,856
Contractual services	5,882	4,000
Advertising	3,782	7,777
Other income	18,236	16,494
<b>Total Other Income from Members</b>	<u>362,776</u>	<u>355,024</u>
<b>PETROL INCOME</b>		
Petrol invoices recharges	1,200,241	1,394,597
<b>Less: Direct Expenses</b>		
Petrol purchases	<u>1,257,787</u>	<u>1,361,552</u>
<b>Net Income from Petrol Charges</b>	<u>32,454</u>	<u>33,045</u>
<b>EXCELLENCE AWARDS</b>		
Awards and sponsors	53,201	49,362
<b>Less: Direct Expenses</b>		
Awards and other costs	<u>57,061</u>	<u>46,733</u>
<b>Net Income from Excellence Awards</b>	<u>(3,860)</u>	<u>629</u>
<b>RECOVERABLE EXPENSES</b>		
Recoverable expenses received	6,406	9,376
<b>Less: Direct Expenses</b>		
Recoverable expenses	<u>6,406</u>	<u>9,376</u>
<b>Net Income from Recoverable Expenses</b>		