



**Australian Government**

**Australian Industrial Registry**

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Email: melbourne@air.gov.au

Mr Larry Moore  
Secretary  
South Australian Chapter  
The National Electrical Contractors Association  
PO Box 47  
FULLARTON SA 5063

Dear Mr Moore,

**The National Electrical Contractors Association – South Australian Chapter  
Financial Return for the Year Ended 30 June 2005 - FR2005/290  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the South Australian Chapter of The National Electrical Contractors Association for the year ended 30 June 2005. The documents were received in the Industrial Registry on 26 April 2006.

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.

**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 This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.

**Auditor's Report**

The Auditor's Report does not refer to the requirements of the *Workplace Relations Act 1996*.

Section 257 of the RAO Schedule requires the Auditor's Report to confirm whether the General Purpose Financial Report is presented fairly in accordance with both the Australian Accounting Standards and any additional requirements of Schedule 1B of the *Workplace Relations Act 1996* (the RAO Schedule).

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.*

A copy of this letter has been forwarded to S J Gray at Grant Thornton.

**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.

### Title of Report

The Operating Report is entitled 'Committee Report'. Would you please ensure in future that the report is correctly identified as an 'Operating Report' as set out in section 254 of the RAO Schedule.

### **Committee of Management Statement**

The Committee of Management statement was dated on 29 August 2005 but states that 'On 30 August 2005 the Committee of Management...passed the following resolution...' (that is, the resolution was passed *after* the document was dated).

You are requested to ensure in future that the statement is executed and dated after the Committee of Management resolution has been passed.

### **General Purpose Financial Report**

#### Disclosure of Expenses

When preparing a General Purpose Financial Report (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:

- affiliation fees or subscriptions to political parties or industrial bodies (11(d));
- 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));
- legal costs (11(j));
- 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)); and
- levies that have been imposed upon the reporting unit (11(e)).

While it includes an item for legal costs, generally speaking the Statement of Financial Performance lacks sufficient detail to comply with the Registrar's Reporting Guidelines. For example:

- there is a single figure for 'Salaries and wages' on page 21 in the Detailed Statement of Financial Performance. Items 11(g) and (h) of the Guidelines, however, require *separate* disclosure of employment benefits paid to *office holders* and *employees (other than office holders)*. In other words, it is insufficient to group employment benefits paid to holders of office and to employees under the one item. In the event that employee benefits only relate to one category of persons (whether *holders of office* or *employees*) the accounts should clearly indicate which category applies;
- page 21 also itemises a single figure for 'Executive, meeting and function expenses'. The Guidelines, however, require separate disclosure of 'conference and meeting expenses' where that figure is not bundled together with function and other related expenses (see guideline 11(k)).

A full copy of the Registrar's Reporting Guidelines is attached. Would you please ensure that these items are separately disclosed 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 of presentation to a meeting. While the Chapter's general meeting was held on 17 October 2005, the documents were not lodged until 26 April 2006.

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/233Vsa>.

Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch

16 August 2006

cc: S J Gray  
Grant Thornton  
GPO Box 1270  
ADELAIDE SA 5001



South Australian chapter | **national electrical and communications association**  
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24<sup>th</sup>. April 2006

FR2005/290

Australian Industrial Registry  
GPO Box 1994S  
Melbourne  
Victoria 3001

Attention: Mr. Andrew Schultz  
Statutory Services Branch

**Re: The National Electrical Contractors Association - The South Australian Chapter Financial Documents 2004 - Workplace Relations Act 1996**

Dear Andrew

Please find attached copies of documentation for 2005 in accordance with the requirements of Schedule 1B (the RAO Schedule) of the Workplace Relations Act 1996.

Yours Faithfully

Larry Moore  
Secretary



South Australian chapter

**national electrical and communications association**

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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>

24 April 2006

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 15<sup>th</sup>. of September 2005; and
3. that the full report was presented to a general meeting of members of the reporting unit on the 17<sup>th</sup>. of October 2005, in accordance with s266 of the RAO Schedule

Signed

  
Laurence John Moore (Secretary)

Dated the 24<sup>th</sup> day of APRIL 2006

**NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION  
SOUTH AUSTRALIAN CHAPTER**

**Financial Statements**

**For Year Ending**

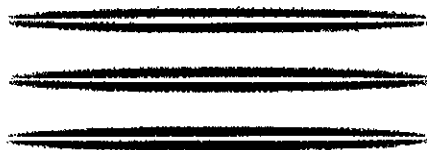
**30 June 2005**

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Financial Reports for the Year Ended 30 June 2005  
For **National Electrical Contractors Association – SA Chapter**

Grant Thornton 



**NECA**



**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 2005.

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.

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A South Australian Partner Ship  
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**Independence**

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

**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 2005, 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 ADWELAIDE this 1st day of SEPTEMBER 2005

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER**

**COMMITTEE REPORT**

---

The committee members submit the financial report for the National Electrical Contracting Association -- South Australia Chapter ("the association") for the financial year ending 30 June 2005.

**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 Vandenhauval	President	(Resigned 16/11/04)
F Russo	Vice President	(until 16/11/04)
	President	(elected by Committee 16/11/04)
J Robinson	Vice President	(elected by Committee 16/11/04)
G McDougall	Treasurer	
A Aitchinson		
R Lane		
G Sims		
D Lindner		(endorsed by Committee 16/11/04)
L Moore	Secretary	

**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 objectives of the Association.

**Significant Changes**

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

**Operating Result**

Profit from ordinary activities amounted to \$7,417.

**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 459.

**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:

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER**

**COMMITTEE REPORT CONTINUED**

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**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 29<sup>th</sup> day of August 2005.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER**

**COMMITTEE OF MANAGEMENT STATEMENT**

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On 30<sup>th</sup> August 2005 the Committee of Management of the National Electrical Contractors Association – SA 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 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 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 the 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 Registrar under section 272 of the RAO Schedule; and
  - (v) No orders have been made by the Commission under section 273 of the RAO Schedule during the year.

For the Committee of Management



.....  
J ROBINSON



.....  
G MCDUGALL

Signed at EASTLOND this 20th day of AUGUST 2005

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION- SA CHAPTER**

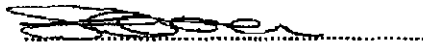
**ACCOUNTING OFFICERS CERTIFICATE**

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I, LAURENCE JOHN MOORE, am the Officer responsible for keeping the accounting records of National Electrical Contractors Association – SA Chapter. I state that the number of members as at June 2005 was 459.

In my opinion,

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2005.
- (ii) A record has been kept of all monies paid by, or collected from, members and all moneys 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 association;
- (iii) Before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the association.
- (iv) No payment was made out of a fund referred to in subparagraph 107(b)(xiii) or (xv) of the regulations of the Workplace Relations Act 1996 for a purpose other than the purpose for which the fund was operated;
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation;
- (vi) The register of members has been maintained in accordance with the Act.

  
L J MOORE

Signed at EASTWOOD this 29th day of AUGUST 2005

National Electrical Contractors Association – South Australian Chapter

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

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

	Notes	2005 \$	2004 \$
Revenue from Ordinary Activities	3(a)	667,563	635,526
Employee Expenses		285,483	275,207
Depreciation and Amortisation Expenses		8,152	8,781
Interest Expense		114	531
Accounting and Audit Fees		6,156	6,400
Bad debts		-	3,751
Excellence Awards		66,819	57,061
National Subscriptions		61,781	63,649
Property Expenses		46,799	39,400
Recoverable expenses		3,550	12,972
Printing postage and general expenses		74,000	50,864
Telephone and power		18,164	17,517
Legal Expenses		7,042	-
Other Operating Expenses		<u>82,086</u>	<u>63,556</u>
Profit/(Loss) from Ordinary Activities		<u>7,417</u>	<u>35,837</u>
Total changes in equity		<u>7,417</u>	<u>35,837</u>

The accompanying notes form part of these audited financial statements

National Electrical Contractors Association – South Australian Chapter

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

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

	Notes	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash	4	89,293	61,244
Receivables	5	<u>38,500</u>	<u>48,531</u>
<b>TOTAL CURRENT ASSETS</b>		<u>127,793</u>	<u>109,775</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	<u>1,243,604</u>	<u>1,238,536</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,243,604</u>	<u>1,238,536</u>
<b>TOTAL ASSETS</b>		<u>1,371,397</u>	<u>1,348,311</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	7	86,085	75,703
Interest Bearing Liabilities	8	-	3,617
Provisions	9	<u>52,173</u>	<u>43,269</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>138,258</u>	<u>122,589</u>
<b>TOTAL LIABILITIES</b>		<u>138,258</u>	<u>122,589</u>
<b>NET ASSETS</b>		<u>1,233,139</u>	<u>1,225,722</u>
<b>EQUITY</b>			
Reserves	10	583,639	583,639
Retained profits	11	<u>649,500</u>	<u>642,083</u>
<b>TOTAL EQUITY</b>		<u>1,233,139</u>	<u>1,225,722</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 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members/non-members		676,806	650,590
Payments to suppliers and employees		(640,574)	(631,082)
Interest received		8,771	6,645
Interest and other costs of finance paid		(114)	(531)
<b>Net cash flow from operating activities</b>	12	<u>44,889</u>	<u>25,622</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		<u>(13,223)</u>	<u>(6,672)</u>
<b>Net cash flow from investing activities</b>		<u>(13,223)</u>	<u>(6,672)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability		<u>(3,617)</u>	<u>(5,066)</u>
<b>Net cash flow from financing activities</b>		<u>(3,617)</u>	<u>(5,066)</u>
Net increase/(decrease) in cash held		28,049	13,884
Cash at the beginning of the financial year		<u>61,244</u>	<u>47,360</u>
<b>Cash at the end of the financial period</b>	12	<u><u>89,293</u></u>	<u><u>61,244</u></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 2005**

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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 1996. 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 or 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 2005**

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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**

- (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).  
Note: This subsection is a civil penalty provision (see section 305).
- (4) 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.
- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections. Note: This subsection is a civil penalty provision (see section 305).
- (6) Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details (including the amount) of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of:
  - (a) the member taking the application for information; or
  - (b) the member at whose request the application was made

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>NOTE 3 - (a) REVENUE FROM ORDINARY ACTIVITIES</b>		
Subscriptions received	336,085	318,191
Interest received	8,771	6,645
Stationery and service fees	11,971	16,685
Petrol invoices recharges	28,226	32,454
Commission received	33,998	34,943
Rent received	141,030	139,228
Administration fees	2,827	4,873
Excellence Awards fees	65,622	53,201
Contractual services	1,413	5,882
Recoverable expenses	3,550	6,406
Advertising	5,041	3,782
Roadshow	-	-
Other Revenue	29,029	18,236
<b>TOTAL REVENUE</b>	<b>667,563</b>	<b>640,526</b>
<b>(b) EXPENSES FROM ORDINARY ACTIVITIES</b>		
Interest	114	531
Depreciation and Amortisation	8,152	8,781
Salaries	285,483	275,207
Accounting and Audit Fees	6,156	6,400
Bad debts	-	3,725
Excellence Awards	66,819	68,561
Neca National Subs	61,781	63,649
Property Expenses	46,799	39,400
Recoverable expenses	3,550	12,972
Legal Fees	7,042	-
Printing, postage and general expenses	72,474	50,864
Telephone and Power	18,164	17,517
Other Operating Expenses	83,612	73,712
<b>TOTAL</b>	<b>660,146</b>	<b>621,319</b>
<b>NOTE 4 - CASH</b>		
Westpac Bank - Current account	48,186	19,219
- Cash management account	40,907	41,825
Petty Cash	200	200
<b>Total Cash</b>	<b>89,293</b>	<b>61,244</b>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>NOTE 5 - CURRENT ASSETS - RECEIVABLES</b>		
Debtors	33,122	34,523
Provision for doubtful debts	(700)	(3,000)
Prepayments	6,078	17,008
	<u>38,500</u>	<u>48,531</u>
 <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	54,593	51,420
Less: accumulated depreciation	44,191	41,066
	<u>10,402</u>	<u>10,354</u>
Computer equipment - at cost	74,302	72,155
Less: accumulated depreciation	65,317	62,078
	<u>8,985</u>	<u>10,077</u>
Furniture & fittings - at cost	122,832	114,930
Less: accumulated depreciation	100,896	100,211
	<u>21,936</u>	<u>14,719</u>
Hire purchase - motor vehicle	26,364	26,365
Less: accumulated depreciation	14,083	12,979
	<u>12,281</u>	<u>13,386</u>
<b>Total plant and equipment</b>	<u>1,243,604</u>	<u>1,238,536</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	10,354	10,077	14,719	13,386	1,238,536
Additions	-	3,173	2,145	7,902	-	13,220
Depreciation	-	(3,125)	(3,237)	(685)	(1,105)	(8,152)
Carrying Value at end of year	<u>1,190,000</u>	<u>10,402</u>	<u>8,985</u>	<u>21,936</u>	<u>12,281</u>	<u>1,243,604</u>

National Electrical Contractors Association – South Australian Chapter

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
<b>NOTE 7 - CURRENT LIABILITIES -</b>		
<b>ACCOUNTS PAYABLE</b>		
Sundry creditors	6,556	9,046
Other creditors	30,629	18,707
Bond monies payable	48,900	47,950
	<u>86,085</u>	<u>75,703</u>
<b>NOTE 8 - CURRENT LIABILITIES -</b>		
<b>INTEREST BEARING LIABILITIES</b>		
Hire purchase liability	-	3,617
	<u>-</u>	<u>3,617</u>
<b>NON-CURRENT LIABILITIES -</b>		
<b>INTEREST BEARING LIABILITIES</b>		
Hire purchase liability	-	-
	<u>-</u>	<u>-</u>
<b>HIRE PURCHASE COMMITMENT</b>		
Not later than 1 year	-	3,731
Later than 1 year, not later than 2 years	-	-
Minimum Hire Purchase payments	-	3,731
Deduct: future finance charges	-	(114)
Hire purchase liability	<u>-</u>	<u>3,617</u>
<b>NOTE 9 - PROVISIONS</b>		
<b>CURRENT</b>		
Provision for long service leave	8,637	6,700
Provision for annual leave	43,536	36,569
<b>Total current provisions</b>	<u>52,173</u>	<u>43,269</u>
<b>Total number of employees at the year end</b>	<u>5</u>	<u>5</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>NOTE 10 - RESERVES</b>		
Asset revaluation reserve:		
Balance 1 July 2004 and 30 June 2005	<u>583,639</u>	<u>583,639</u>

**NOTE 11 - RETAINED PROFITS**

Retained Profits at beginning of financial year	642,083	606,246
Net Profit/(deficit) Attributable to the association	<u>7,417</u>	<u>35,837</u>
Retained Profits at end of financial year	<u>649,500</u>	<u>642,083</u>

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

Operating profit (loss)	7,417	35,837
Depreciation expense	8,152	8,781
Increase/(decrease) in leave provisions	8,904	(8,904)
Increase/(decrease) in accounts payable	10,382	(10,382)
Decrease/(Increase) in debtors	<u>10,034</u>	<u>(10,031)</u>
<b>Net cash flow from operating activities</b>	<u>44,889</u>	<u>15,301</u>

Cash at the end of the financial year as shown on the statement of cash flows is represented by:

Cash (Note 4)	<u>89,293</u>	<u>61,244</u>
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**Credit Standby Arrangements with banks:**

Bank overdraft facilities are arranged with Westpac Banking Corporation. The amount of unused credit facility as at 30 June 2005 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 fee	5,150	5,250
- Other services	<u>1,006</u>	<u>1,150</u>
	<u>6,156</u>	<u>6,400</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

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**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 Vandenheuvel	President
F Russo	Vice President / President
G McDougall	Treasurer
A Aitchison	
J Robinson	Vice President
L Moore	
R Lane	
G Sims	
D Lindner	

Their involvement with NECA affiliated bodies are listed hereunder:

<b>NAME</b>	<b>ORGANISATION</b>	<b>OFFICE HELD</b>
P Vandenheuvel	NECA National	President National Councillor National Executive Member
F Russo	NECA National	Vice President National Councillor
J Robinson	NECA National PEER Training Inc PEER Tec Inc	National Councillor Director Director
A Aitchison	NECA Communications Council	Councillor

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 \$61,781 for the year ended 30 June 2005 (2004: \$64,419).



**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**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			
	2005 %	2004 %	2005 \$	2004 \$	Within 1 Year		1 to 5 Years	
Financial Assets	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Cash	1.35	1.35	89,093	61,044	-	-	-	-
Total Financial Assets	-	-	89,093	61,044	-	-	-	-
<b>Financial Liabilities</b>	-	-	-	-	-	-	-	-
Lease Liabilities	-	8.3	-	-	-	-	3,617	-
Total Financial Liabilities	-	-	-	-	-	-	3,617	-

**(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.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

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

	2005	2004
	\$	\$
<b>INCOME</b>		
Commission property and investment income	132,543	136,954
Other income from members	382,057	362,776
Petrol income	28,226	32,454
Administration fees received	2,927	4,873
Excellence awards	(1,197)	(3,860)
<b>TOTAL INCOME</b>	<u>544,456</u>	<u>533,197</u>
<b>LESS INDIRECT EXPENSES</b>		
Accounting and Audit	6,156	6,400
Annual leave provision	6,968	1,491
Bad debts	-	3,751
Computer programs, maintenance costs and updates	2,580	2,156
Depreciation	8,152	8,781
NECA national subscriptions	61,781	63,649
Executive, meeting and function expenses	20,226	13,786
Legal Fees	7,042	-
Long service leave provision	1,937	885
Advertising and promotions expenses	14,443	8,512
Newsletter expenses	17,488	16,056
Motor vehicle expenses	5,566	6,299
Postage, printing and stationery and general expenses	71,106	66,047
Salaries and wages	285,483	273,583
Subscriptions to outside bodies	7,449	6,422
Telephone and power	18,164	17,517
Workcover	2,498	2,025
<b>TOTAL INDIRECT EXPENSES</b>	<u>537,039</u>	<u>497,360</u>
<b>NET SURPLUS(DEFICIT)</b>	<u>7,417</u>	<u>35,837</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**

**SCHEDULES TO THE PROFIT & LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2005**

	2005 \$	2004 \$
<b>COMMISSION PROPERTY AND INVESTMENT INCOME</b>		
Commission received	33,998	34,943
Interest and dividends received	8,771	6,645
Rent received	141,030	139,228
<b>Gross Income</b>	<u>183,799</u>	<u>180,816</u>
<b>Less: Direct Expenses</b>		
Bank charges	4,456	4,462
Rates, taxes and insurance	10,785	9,975
Building expenses	36,015	29,425
<b>Total Direct Expenses</b>	<u>51,256</u>	<u>43,862</u>
<b>Net Property and Investment Income</b>	<u>132,543</u>	<u>136,954</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION - SA CHAPTER**  
**SCHEDULES TO THE PROFIT & LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
<b>OTHER INCOME FROM MEMBERS</b>		
Subscriptions	336,085	318,191
Sundry income - stationery and service fees	11,971	16,685
Contractual services	1,413	5,882
Advertising	5,041	3,782
Other income	27,547	18,236
<b>Total Other Income from Members</b>	<u>382,057</u>	<u>362,776</u>
 <b>PETROL INCOME</b>		
Petrol invoices recharges	1,342,880	1,290,241
<b>Less: Direct Expenses</b>		
Petrol purchases	<u>1,314,654</u>	<u>1,257,787</u>
<b>Net Income from Petrol Charges</b>	<u>28,226</u>	<u>32,454</u>
 <b>EXCELLENCE AWARDS</b>		
Awards and sponsors	65,622	53,201
<b>Less: Direct Expenses</b>		
Awards and other costs	<u>66,819</u>	<u>57,061</u>
<b>Net Income from Excellence Awards</b>	<u>(1,197)</u>	<u>(3,860)</u>
 <b>RECOVERABLE EXPENSES</b>		
Recoverable expenses received	3,550	6,406
<b>Less: Direct Expenses</b>		
Recoverable expenses	<u>3,550</u>	<u>6,406</u>
<b>Net Income from Recoverable Expenses</b>	<u>-</u>	<u>-</u>