



Australian Government

Australian Industrial Registry

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

Dear Peter,

**The National Electrical Contractors Association - Tasmanian Chapter
Financial Report for Year Ended 30th June 2005 – FR2005/291
Schedule 1B of the Workplace Relations Act 1996 (ROA Schedule)**

Thank you for the financial reports of the Tasmanian Chapter of The National Electrical Contractors Association for the year ended 30th June 2005. The documents were lodged in the Industrial Registry on 20th February 2006. Please excuse the delay in responding to you, our attention in recent months has been diverted to the new Workchoices legislation.

The information has been examined and 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.

Presentation of Financial Reports to Meetings

You were advised last year in relation to documents which were lodged for the financial year ended 30th June 2004 that the Chapter failed to meet its obligations with respect to presentation of its financial reports to a meeting. I note that the financial reports for the year ended 30th June 2005 have, once again, not been presented to a meeting in accordance with the requirements of the RAO Schedule.

Your Secretary's certificate states that the full report was presented to a meeting of the committee of management on the reporting unit on 7th December 2005. As you are aware, section 266 of the RAO Schedule sets out the methods by which a reporting unit may satisfy its obligations to present the full report to its members.

The purpose of the financial reporting provisions generally is to ensure disclosure to members and to offer those members an opportunity to raise any matter that concerns them regarding material which is disclosed in that information. The vehicle for members to achieve this is either at a general meeting of members or at a meeting of the committee of management. The latter option is only available if the precondition in subsection 266(3), that is the "5% rule", is satisfied. An examination of rule 31(b) of the National rules indicates that this rule is not sufficient to satisfy the requirements of the "5% rule". Since the rules of your organisation do not make such a provision, you were advised last year that it would be necessary either to present the relevant documents to a general meeting of members of the Chapter or (if you wish to present them to a meeting of the committee of management) to take immediate steps to alter the organisation's rules to incorporate the "5% rule".

In the absence of an appropriate "5% rule", the Chapter is required to present relevant documents to a general meeting of members of the Chapter, which, in any event, is in accordance with National rule 30. If documents are not properly presented, the Registrar will in future refuse to file the financial documents until the Chapter has gone through the appropriate steps by presenting its financial documents to a general meeting of the Chapter.

Special Purpose Financial Report

In addition to the Auditor's Report, the financial records which have been lodged include (at page 17) a document entitled 'Compilation Report to the Members of The National Electrical Contractors Association, Tasmania Chapter'. The opening paragraph of this report states that Bentleys MRI have compiled a 'special purpose financial report...for the year ended 30 June 2005 comprising the attached Detailed Income and Expenditure statement'. The Detailed Income and Expenditure Statement then forms page 18 of the lodged documents.

The following disclaimer then appears in the Compilation Report:

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

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

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

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

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

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

Operating Report – Superannuation Trustees

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

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

Documents not lodged in Registry within 14 Days of Meeting

Section 268 of the RAO Schedule requires a reporting unit to lodge its financial documents in the Industrial Registry within 14 days after their presentation to a meeting. While the documents were presented to a Committee of Management meeting on 7th December 2005, the documents were not lodged in the Industrial Registry until 20th February 2006. I note that you have requested an extension of time in which to lodge the documents.

Please do not hesitate to contact me by email at 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/233vtas>.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Pfeiffer', written in a cursive style.

Robert Pfeiffer
Statutory Services Branch

14 July 2006

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



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Level 3, 100 Dorcas Street South Melbourne 3205 Australia
telephone +61 3 9645 5566 facsimile +61 3 9645 9001
email necanat@neca.asn.au
ABN 78 319 016 742

14th February 2006

Deputy Industrial Registrar
Australian Industrial Registry
GPO Box 1232M
HOBART TAS 7001



Dear Sir/Madam,

Certificate of Secretary

I, Peter James Glynn, being the Secretary of the National Electrical Contractors Association – Tasmania 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 October 21st, 2005; and.
3. that the full report was presented to a meeting of the committee of management of the reporting unit on December 7th, 2005; in accordance with s266 of the RAO Schedule.

We herewith seek an extension of time in which to lodge these accounts.

Yours faithfully

PETER GLYNN
Secretary

**NATIONAL ELECTRICAL
CONTRACTORS ASSOCIATION
TASMANIA CHAPTER**

**Financial Report
For The Year Ending
30 June 2005**

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Operating Report by the Committee

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

Committee Members

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

M Bowring	R Fromberg
P Willis	D Joyce
C Hawtree	B Banks
C M Russell	R Seeber (since July 2004)
A Farr (since July 2004)	

Principal Activities

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

Significant Changes

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

Operating Result

Loss from ordinary activities amounted to \$713.

After Balance Date Events

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

Number of Members

The association had 58 (2004: 61) members at financial year end.

Number of Employees

The association had 0 (2004: 0) employees at financial year end.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**


Members Right to Resign

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

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



MICHAEL BOWRING
President



PETER WILLIS
Vice President

Dated this 14 day of September -2005

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**

Committee of Management Statement

On 14th of September 2005 the Committee of Management of the National Electrical Contractors Association – Tasmania Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of the entity for the financial year ended 30 June 2005.

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

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

For the Committee of Management:



MICHAEL BOWRING
President

Dated this 14 day of September 2005

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
– TASMANIA CHAPTER**

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

	Note	2005 \$	2004 \$
Revenue from operating activities	2	55,917	55,146
Other expenses from ordinary activities	3	(56,630)	(56,028)
Profit/(loss) from ordinary activities before income tax expense		<u>(713)</u>	<u>(882)</u>
Income tax expense relating to ordinary activities	1 (a)	<u>-</u>	<u>-</u>
Net profit/(loss) from ordinary activities after income tax expenses attributable to the members of the association		<u>(713)</u>	<u>(882)</u>
Total changes in equity of the association		<u>(713)</u>	<u>(882)</u>

The accompanying notes form a part of the financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**

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

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	6	7,273	6,790
Receivables	5	5,052	6,617
Other	7	500	500
Total Current Assets		<u>12,825</u>	<u>13,907</u>
Total Assets		<u>12,825</u>	<u>13,907</u>
CURRENT LIABILITIES			
Income Received in Advance		400	550
Payables	8	4,361	4,580
Total Current Liabilities		<u>4,761</u>	<u>5,130</u>
Total Liabilities		<u>4,761</u>	<u>5,130</u>
NET ASSETS		<u>8,064</u>	<u>8,777</u>
EQUITY			
Retained profits	9	8,064	8,777
TOTAL EQUITY		<u>8,064</u>	<u>8,777</u>

The accompanying notes form part of the financial statements.

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**

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

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		57,362	52,617
Cash payments in the course of operations		(56,999)	(57,925)
Interest received		120	162
Net cash provided by/(used in) operating activities	10(b)	<u>483</u>	<u>(5,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from investments		-	-
Payments for investments		-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		483	(5,146)
Cash at the beginning of the financial year		6,790	11,936
Cash at the end of the financial year	10(a)	<u>7,273</u>	<u>6,790</u>

The accompanying notes form part of the financial statements.

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

1. STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

a) Taxation

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

b) Trade Receivables

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

c) Trade and Other Payables

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

d) Cash and Cash Equivalents

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

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

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

e) **Revenue Recognition**

Revenue from operating activities

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

Interest Income

Interest income is recognised as it accrues.

f) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

g) **Comparatives**

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

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

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

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

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

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

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

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

Impairment of assets

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

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

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**

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

	2005 \$	2004 \$
2. REVENUE FROM ORDINARY ACTIVITIES		
Operating activities		
Member subscriptions	34,369	34,657
Insurance Commission	5,804	5,875
	<u>40,173</u>	<u>40,532</u>
Non-operating activities		
Interest from other corporations	120	162
Other	15,624	14,452
	<u>15,744</u>	<u>14,614</u>
Total revenue	<u>55,917</u>	<u>55,146</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities has been determined after:		
Bad debts	<u>1,250</u>	<u>500</u>
4. AUDITORS' REMUNERATION		
Audit services:		
Auditors of the association	1,000	1,000
Other services:		
Auditors of the association	-	-
	<u>1,000</u>	<u>1,000</u>
5. RECEIVABLES		
General membership	4,130	5,667
Insurance commission	2,387	2,706
Goods and services tax	385	187
	<u>6,902</u>	<u>8,560</u>
Less: provision for doubtful debts	<u>(1,850)</u>	<u>(1,943)</u>
	<u>5,052</u>	<u>6,617</u>

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**

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

	2005 \$	2004 \$
6. CASH ASSETS		
Cash at Bank	<u>7,273</u>	<u>6,790</u>
	<u>7,273</u>	<u>6,790</u>
7. OTHER		
Prepayments	<u>500</u>	<u>500</u>
8. PAYABLES		
Trade Creditors and Accruals	<u>4,361</u>	<u>4,580</u>
	<u>4,361</u>	<u>4,580</u>
9. RETAINED PROFITS		
Balance at the beginning of the financial year	8,777	9,659
Net profit/(loss) attributable to members	<u>(713)</u>	<u>(882)</u>
Balance at the end of the financial year	<u>8,064</u>	<u>8,777</u>

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

	2005	2004
	\$	\$
10. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Cash		
Cash at end of the financial year as shown in the statement of cash flows is reconciled to the related items as follows:		
Cash at bank	7,273	6,790
	<u>7,273</u>	<u>6,790</u>
(b) Reconciliation of Cash Flows from Operations with Operating Profit/(Loss)		
Operating profit/(loss)	(713)	(882)
Add/(less) non-cash items:		
Amounts set aside to provisions	93	(1,452)
Net cash provided by / (used in) operating activities before change in assets and liabilities	<u>(620)</u>	<u>(2,334)</u>
Change in assets and liabilities during the financial year:		
(Increase)/Decrease in receivables	1,472	(1,364)
(Decrease)/Increase in payables	(369)	(1,448)
Net cash provided by / (used in) operating activities	<u>483</u>	<u>(5,146)</u>

11. REMUNERATION OF EXECUTIVES

No members of the council received remuneration apart from reimbursement of expenses.

12. RELATED PARTIES DISCLOSURE

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

M Bowring	R Fromberg
D Joyce	C Hawtree
B Banks	P Willis
C M Russell	R Seeber (since July 2004)
A Farr (since July 2004)	

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

12. RELATED PARTIES DISCLOSURE (Cont'd)

Councillors and their related entities

Members of the Council and their related entities are able to use the services provided by the National Electrical Contractors Association. Such services are made available on terms and conditions no more favourable than those available to all other members.

13. SEGMENT REPORTING

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

14. FINANCIAL INSTRUMENTS

a) Interest Rate Risks

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

Financial Assets	Weighted Average Effective Interest Rate		Floating Interest Rate		Interest Rate Maturing				Non-Interest Bearing		Total	
	2005 %	2004 %	2005 %	2004 %	Within 1 Year		1 to 5 Years		2005 %	2004 %	2005 %	2004 %
					2005 %	2004 %	2005 %	2004 %				
Cash assets	0.05%	0.1%	-	-	7,273	6,790	-	-	-	-	7,273	6,790
Receivables			-	-	-	-	-	-	5,052	6,617	5,052	6,617
Total Financial Assets			-	-	7,273	6,790	-	-	5,052	6,617	12,325	13,407
Trade & other Creditors			-	-	-	-	-	-	4,761	5,130	4,761	5,130
Total Financial Liabilities			-	-	-	-	-	-	4,761	5,130	4,761	5,130

b) Credit Risk

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

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

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

14. FINANCIAL INSTRUMENTS (Cont'd)

c) Net Fair Values

The net fair values of assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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

15. SUBSEQUENT EVENTS

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

16. ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association – Tasmania Chapter
30 Burnett Street
North Hobart TAS 7000

17. RAO s272 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, TASMANIA 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 the National Electrical Contractors Association, Tasmania Chapter ("the association") for the financial year ended 30 June 2005.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporation Act, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION,
TASMANIA CHAPTER (CONT'D)**

Independence

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

Audit Opinion

In our opinion:

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

Bentleys mri

**BENTLEYS MRI
CHARTERED ACCOUNTANTS**

Scott Phillips

**SCOTT PHILLIPS
PARTNER**

Dated in Melbourne on 20TH day of OCTOBER 2005

**COMPILATION REPORT TO THE MEMBERS OF
THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION,
TASMANIA CHAPTER**

Scope

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

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

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

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

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

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

Bentleys MRI Melbourne Pty Ltd

**BENTLEYS MRI MELBOURNE PTY LTD
CHARTERED ACCOUNTANTS**

Scott Phillips

**SCOTT PHILLIPS
DIRECTOR**

Dated in Melbourne on *20th* day of *October* 2005

**NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION
- TASMANIA CHAPTER**

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

	2005	2004
	\$	\$
INCOME		
Subscriptions	34,369	34,657
Commission	5,804	5,875
Annual General Meeting/Excellence Awards	15,624	14,107
Interest	120	162
Sundry	-	345
Total Income	<u>55,917</u>	<u>55,146</u>
EXPENDITURE		
Annual General Meeting/Excellence Awards	10,585	5,825
Accounting and Audit Fees	1,000	1,000
Advertising & Promotion	942	1,364
Affiliation Fees	7,798	8,357
Bad Debts	1,250	500
Bank Charges	214	267
Doubtful Debts	(93)	1,452
Insurance	504	718
Management Services	31,000	31,000
Meeting Expenses	423	1,545
Recruitment Fees	200	691
Stationery	185	-
Sundry Expenses	22	275
Travel & Accommodation	2,600	3,034
Total Expenditure	<u>56,630</u>	<u>56,028</u>
OPERATING PROFIT/(LOSS)	<u>(713)</u>	<u>(882)</u>