



Australian Government

Australian Industrial Registry

Level 36, 80 Collins Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401
Email: melbourne@air.gov.au

Mr Philip Green
Secretary
Victorian Chapter
The National Electrical Contractors Association
Level 12
222 Kingsway
SOUTH MELBOURNE VIC 3205

Dear Mr Green,

**The National Electrical Contractors Association – Victorian Chapter
Financial Return for the Year Ended 30th June 2005 - FR2005/292
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Victorian Chapter of The National Electrical Contractors Association for the year ended 30th June 2005. The documents were received in the Industrial Registry on 7th December 2005. Please excuse the delay in responding to you. Our attention in recent months has been diverted to the new Workchoices legislation.

The documents have been filed.

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

Auditor's Report

The Auditor's Report makes a number of references to the Associations Incorporation Act but does not refer to 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 Mr Scott Phillips at Bentleys MRI.

Operating Report – Superannuation Trustees

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

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

General Purpose Financial Report – 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));
- capitation fees or membership subscriptions (11(b)); and
- levies that have been imposed upon the reporting unit (11(e)).

While it includes an item for affiliation subscription fees, 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 on page 5 for 'salaries and employee benefits and superannuation expenses'. 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.
- Similarly, there is a single figure for 'conferences and training' but Items 11(i) and (k) of the Guidelines require separate disclosure of fees and/or allowances paid for attendance at conferences and for conference and meeting expenses.

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

General Purpose Financial Report - Notice Under Sections 272(1), (2) and (3)

The Notes to the GPFR are required to include a notice drawing attention to the fact that information that is prescribed by the RAO Regulations is available to members on request – see Guideline 8(c) of the Reporting Guidelines, which requires disclosure of the notice required by section 272(5) of the RAO Schedule. Specifically, the GPFR is required to include a copy of subsections 272(1), (2) and (3) as follows:

272 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).

For your information, the 'prescribed information' that is referred to in subsection 272(1) covers a broad range of matters such as compulsory levies, voluntary contributions, grants and donations, and loans – see RAO Regulation 166.

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/233vvic>.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

13 July 2006

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

Workplace Relations Act 1996

Schedule 1B

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

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

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

Application

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

Operative Date

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

Purpose of Reporting Guidelines

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

General Requirements for Presentation and Disclosures in GPFR

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

Profit and Loss Statement

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

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

Balance Sheet

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

- (b) a payable or other financial liability; and
- (c) the item or a part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation,

the following additional disclosures should be made in the notes to the financial statements about the item or the part of the item:

- (d) name of the other reporting unit; and
- (e) cost or value attributable to the other reporting unit.

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

Liabilities

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

Equity

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

Statement of Cash Flows

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

Committee of Management Statement

16. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.
17. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:
- (a) the financial statements and notes comply with the Australian Accounting Standards;
 - (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;

- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

18. The committee of management statement must:

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

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

organisation means an organisation registered under the RAO Schedule.

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

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

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

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

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

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

Dated: 20th June 2003



Nicholas Wilson
Industrial Registrar



Victorian chapter | **national electrical and communications association**
Level 12, 222 Kingsway South Melbourne Victoria 3205 Australia
telephone: + 61 3 9645 5533 facsimile: + 61 3 9645 5544
email: necavic@neca.asn.au website: www.neca.asn.au
ABN 38 881 083 819

1st December 2005

Rec'd 7/12/05

Industrial Registrar
Nauru House
80 Collins Street
MELBOURNE, 3000

Dear Sir/Madam,

Please find attached the financial documents as required to be lodged under the Workplace Relations Act, 1996, with regard to the financial year ended 30 June 2005.

These financial accounts were endorsed by resolution of the NECA Victoria Council on 13 September 2005 and by the Annual General Meeting of members held on 7 November 2005.

Should you have any enquiries or these documents are incomplete under the Regulations, then please contact the undersigned on 9645 5533.

Yours sincerely,


PHILIP GREEN
CHIEF EXECUTIVE OFFICER

REF:PICORRESPONDENCE\TRM1205.1

NECA National Ph: 03 9645 5566
NECA Victoria Ph: 03 9645 5533
NECA Western Australia Ph: 08 9231 8637

NECA New South Wales Ph: 02 9744 1099
NECA Tasmania Ph: 03 6236 3656
NECA Northern Territory Ph: 08 8922 9666

NECA Australian Capital Territory Ph: 02 9744 1099
NECA South Australia Ph: 08 8272 2966
NECA Queensland Ph: 07 3377 0822

**National Electrical Contractors Association
Victorian Chapter**

Designated Officer's Certificates

I, Philip Green, being the Chief Executive Officer of the National Electrical Contractors Association – Victorian Chapter certify:

- a) that the documents lodged herewith are copies of the full report referred to in s.268 of the RAO Schedule;
- b) that the full report was provided to members on 7 October 2005;
- c) that the full report was presented to a general meeting of the members of the reporting unit on 7 November 2005 in accordance with section 266 of the RAO Schedule.

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



Philip Green
Chief Executive Officer

Dated this first day of December 2005

2004/2005

ANNUAL REPORT 2004/2005

**NATIONAL ELECTRICAL AND
COMMUNICATIONS ASSOCIATION
VICTORIAN CHAPTER**

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THE YEAR IN REVIEW

Chief Executive Officer's Overview
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Member Services
Training

FINANCIAL

Audited Financial Statements
(NECA Victoria)



NECA Victoria Chapter Council 2003/2004

PRESIDENT	Wes McKnight McKnights Electrical
VICE-PRESIDENT	Ray Ford Fordham Electrics Pty Ltd
TREASURER	Neville Palmer Gordyn & Palmer Pty Ltd
COUNCILLOR	Norm Lancefield Downer Electrical Pty Ltd
COUNCILLOR	David Peirce ADJ Contracting Pty Ltd
COUNCILLOR	Michael Graham Automation & Control Pty Ltd
COUNCILLOR	Denis O'Brien Allen & O'Brien Pty Ltd
COUNCILLOR	Peter Jinks KLM Group
COUNCILLOR	Trevor Cottrell TM & CA Cottrell Pty Ltd

NECA Victoria Staff

CHIEF EXECUTIVE OFFICER AND SECRETARY	Philip Green
PERSONAL ASSISTANT	Catherine Davies
ACCOUNTANT	Mark Lim
RECEPTIONIST/ADMIN	Stacey Bjorksten
EMPLOYEE RELATIONS MANAGER	Simon French
EMPLOYEE RELATIONS OFFICER	Frank Kennedy
MEMBERSHIP DEVELOPMENT OFFICER	Robert McGuinness
OCCUPATIONAL HEALTH & SAFETY OFFICER	Paul Madden
MEMBER SERVICES & EDUCATION OFFICER	Rod Lovett

NECA Victoria

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

National Electrical Contractors Association Victorian Chapter

Operating Report by the Committee

Your committee members submit the financial report of the National Electrical Contractors Association – Victoria Chapter for the financial year ended 30 June 2005.

Committee Members

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

N. Palmer	W. McKnight	M. Graham
R. Ford	N. Lancefield	D. O'Brien
D. Pierce	T. Cottrell	P. Jinks

Principal Activities

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

No significant change in the nature of these activities occurred during the year. A more detailed summary of activities is provided to all members in the form of the Annual Report.

Operating Result

The profit from ordinary activities after providing for income tax amounted to \$590,906.

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 1114 (2004: 1,093) members at financial year end.

Number of Employees

The association had 8 (2004: 8) employees at financial year end.

**National Electrical Contractors Association
Victorian Chapter**

Operating Report by the Committee (continued)


Members Right to Resign

Members may resign from the association in accordance with Rule 11, Resignation from Membership, under the Federal Rules of the 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:



Wes McKnight
President



Neville Palmer
Treasurer

Dated this *13th* day of *September* 2005

**National Electrical Contractors Association
Victorian Chapter**

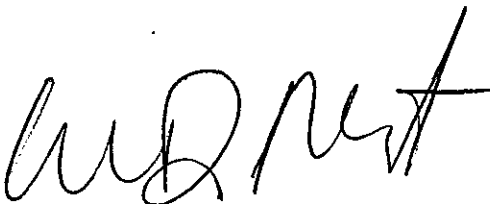
Committee of Management Statement

On 13 September 2005 the Committee of Management of the National Electrical Contractor Association - Victoria Chapter passed the following resolution in relation to the general purpose financial report (GPFR) of National Electrical Contractors Association – Victorian Chapter 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 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) during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of the association;
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the association including the rules of a branch concerned;
 - iii) the financial records of reporting units have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations;
 - iv) no requests have been made from any member of the association or a Register under section 272 of the RAO Schedule; and
 - v) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management:



Wes McKnight
President



Neville Palmer
Treasurer

Dated this 13th day of September 2005

**National Electrical Contractors Association
Victorian Chapter**

Designated Officer's Certificates

I, Philip Green, being the Chief Executive Officer of the National Electrical Contractors Association – Victorian Chapter certify:

- a) that the documents lodged herewith are copies of the full report referred to in s.268 of the RAO Schedule;
- b) that the full report was provided to members on [date];
- c) that the full report was presented to a general meeting of the members of the reporting unit on [date]; in accordance with section 266 of the RAO Schedule.

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

Philip Green
Chief Executive Officer

Dated this day of 2005

**National Electrical Contractors Association
Victorian Chapter**

**Statement of Financial Performance
For the year ended 30 June 2005**

	Note	2005 \$	2004 \$
Revenue from ordinary activities	2	2,353,906	1,721,194
Conferences and training		(173,535)	(148,845)
Cost of sales		(40,817)	(54,407)
Depreciation and amortisation expenses	3	(51,784)	(45,572)
Salaries and employee benefits and superannuation expenses		(621,374)	(654,813)
Postage, printing and stationery		(103,314)	(123,130)
Diminution of investment		-	-
Affiliation subscription fees		(213,460)	(203,152)
Other expenses from ordinary activities		(558,716)	(382,939)
Profit/(loss) from ordinary activities before income tax expense		590,906	108,336
Income tax expense relating to ordinary activities	1(b)	-	-
Net (loss)/profit from ordinary activities after income tax expense attributable to the association	14	590,906	108,336
Net increase in asset revaluation reserve	13	-	270,405
Total changes in equity of the association		590,906	378,741

The Statement of Financial Performance is to be read in conjunction with the notes to the financial statements set out on pages 8 to 21.

**National Electrical Contractors Association
Victorian Chapter**

**Statement of Financial Position
As at 30 June 2005**

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	4	1,210,424	757,155
Receivables	5	1,392,511	1,236,792
Inventories		16,679	12,526
Investments	6	1,831,182	1,706,150
Other	7	7,273	6,000
Total Current Assets		<u>4,458,069</u>	<u>3,718,623</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	8	1,021,424	1,046,449
Total Non-Current Assets		<u>1,021,424</u>	<u>1,046,449</u>
Total Assets		<u>5,479,493</u>	<u>4,765,072</u>
CURRENT LIABILITIES			
Payables	9	522,917	444,575
Interest-bearing liabilities	10	8,895	8,295
Provisions	11	109,039	109,498
Other	12	1,255,012	1,200,383
Total Current Liabilities		<u>1,895,863</u>	<u>1,762,751</u>
Non-Current Liabilities			
Interest-bearing liabilities	10	20,811	29,658
Provisions	11	6,658	7,408
Total Non-Current Liabilities		<u>27,469</u>	<u>37,066</u>
Total Liabilities		<u>1,923,332</u>	<u>1,799,817</u>
NET ASSETS		<u>3,556,161</u>	<u>2,965,255</u>
MEMBERS' FUNDS			
Retained profits	14	2,705,476	2,114,570
Reserves	13	850,685	850,685
TOTAL MEMBERS' FUNDS		<u>3,556,161</u>	<u>2,965,255</u>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements as set out on pages 8 to 21.

**National Electrical Contractors Association
Victorian 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		2,194,434	1,749,208
Cash payments in the course of operations		(1,791,215)	(1,781,600)
Interest received		127,946	110,314
Net cash provided by operating activities	19 (ii)	531,165	77,922
Cash flows from investing activities			
Payment for property, plant and equipment		(26,759)	(23,460)
Financial lease payment		(8,247)	(7,783)
Net cash provided by investing activities		(35,006)	(31,243)
Net increase/(decrease) in cash held		496,159	46,679
Cash at beginning of the financial year		1,549,221	1,502,542
Cash at the end of the financial year	19(i)	2,045,380	1,549,221

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 21.

**National Electrical Contractors Association
Victorian Chapter**

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

1. STATEMENT 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 Victorian Chapter as an individual entity. National Electrical Contractors Association Victorian Chapter is an association incorporated in Victoria under the Association Incorporation Act of Victoria.

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

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

a) Revenue Recognition

Operating

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products or services to members. Sales revenue is recognised when the goods are provided, or when the fee in respect of services provided is receivable.

Petrol and Telephone Schemes

The Chapter earns commission on petrol and telephone sales made to members. Commission is recognised on an accruals basis.

Interest Income

Interest income is recognised as it accrues.

Asset Sales

The gross proceeds of asset sales are included as revenue of the Chapter. The profit or loss on sale is recognised when an unconditional contract of sale is signed.

b) Income Tax Expense

No provision for income tax is necessary as "Associations of Employers" are exempt from income tax under Section 50-40 of the Income Tax Assessment Act.

c) Cash and Short-Term Deposits

Cash and short-term deposits are carried at face value of the amounts deposited. The carrying amount of the cash and short-term deposits approximate net fair value. Interest revenue is accrued at the market or contracted rate.

**National Electrical Contractors Association
Victorian Chapter**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) 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. The carrying amount of trade debtors approximates fair value.

e) Inventories

Inventories are carried at the lower of cost and net realisable value.

f) Non-Current Assets

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

g) Property, Plant and Equipment

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

Property

Buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the association to have an independent valuation every three years, with annual appraisals being made by the Committee of Management.

The revaluation of buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and Equipment

Plant and equipment are measured on the cost basis.

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

**National Electrical Contractors Association
Victorian Chapter**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property, Plant and Equipment (Continued)

Depreciation and Amortisation

Property, plant and equipment are depreciated over their estimated useful life. The straight line method is used. Assets are depreciated or amortised from the date of acquisition.

The depreciation rates used for each class of assets are as follows:

Building	2.5 %
Plant and equipment	8-12 %
Computers	33 %
Furniture and fittings	5-10 %
Leased Motor vehicles	25 %

h) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

j) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services, whether or not billed to the Association. Trade accounts payable are normally settled within 60 days. The carrying amount of accounts payable approximates net fair value.

**National Electrical Contractors Association
Victorian Chapter**

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

l) Cash and Cash Equivalents

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.

m) Change in Accounting Policy

The association changed its accounting policy in the financial year ending 30 June 2004 relating to revaluation of property in accordance with Accounting Standard AASB 1041 Revaluation of Non-current Assets because it reflects a better presentation of its financial position. The financial effect of this change in accounting policy has been to recognise \$270,405 as asset revaluation reserve, and increased the gross and net assets by \$270,405.

n) Comparatives

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

o) 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.

National Electrical Contractors Association

Victorian Chapter

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Impairment of assets

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

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

Non-current investments

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

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

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

AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 July 2005. The Association has decided that it will adopt this election and will not restate comparative information for the 30 June 2005 financial year.

**National Electrical Contractors Association
Victorian Chapter**

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

	Note	2005 \$	2004 \$
2. REVENUE			
Operating activities			
Subscriptions – Members		1,007,566	919,295
Sale of products and services		423,417	398,517
Interest received or due and receivable from other persons		127,946	110,314
Rental income		-	2,400
Petrol administration fee		91,854	84,460
Investment valuation		82,140	82,774
Other revenue		209,577	123,434
Director fees		51,818	-
Distribution – Protect Severance Scheme		359,588	-
 Total Revenue		2,353,906	1,721,194
 3. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES			
Profit / (Loss) from ordinary activities before income tax expense / (income tax revenue) has been determined after:			
Expenses			
Depreciation of:			
- Property, plant and equipment		51,784	45,572
Operating lease rental		37,116	40,009
 Remuneration of auditors for:			
- audit or review services		12,000	11,004
 4. CASH ASSETS			
Cash at bank		1,210,424	757,155
 5. RECEIVABLES			
General membership		909,174	799,228
Petrol scheme		443,807	356,939
Other debtors		69,530	84,376
		1,422,511	1,240,543
Less Provision for doubtful debts		(30,000)	(3,751)
		1,392,511	1,236,792

**National Electrical Contractors Association
Victorian Chapter**

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

	Note	2005 \$	2004 \$
6. OTHER FINANCIAL ASSETS			
<i>Current</i>			
Short Term Deposits		834,956	792,066
Investment Fund		1,052,962	1,052,962
Less Provision for diminution of investment		(56,736)	(138,878)
		<u>1,831,182</u>	<u>1,706,150</u>
7. OTHER ASSETS			
Prepayments		7,273	6,000
8. PROPERTY, PLANT AND EQUIPMENT			
Building at valuation	(a)	945,000	945,000
Less accumulated depreciation		(23,625)	-
Total Building		<u>921,375</u>	<u>945,000</u>
Computer & office equipment at cost		136,936	111,797
Less accumulated depreciation		(109,612)	(100,200)
Total computer & office equipment		<u>27,324</u>	<u>11,597</u>
Furniture & fittings at cost		99,668	98,048
Less accumulated depreciation		(45,252)	(38,873)
Total furniture & fittings		<u>54,416</u>	<u>59,175</u>
Plant & equipment at cost		17,749	17,749
Less accumulated depreciation		(12,591)	(11,762)
Total Plant & equipment		<u>5,158</u>	<u>5,987</u>
Leased Motor vehicles - at cost		46,157	46,157
Less accumulated depreciation		(33,006)	(21,467)
Total motor vehicles		<u>13,151</u>	<u>24,690</u>
Total Property, Plant and Equipment - at net book value		<u>1,021,424</u>	<u>1,046,449</u>

(a) An independent valuation of the building based on open market value was undertaken on 30 June 2004 by P. Wheeler, Certified Practising Valuer.

**National Electrical Contractors Association
Victorian Chapter**

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movement in Carrying Amounts

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

	Building	Computer and Office Equipment	Furniture and Fittings	Plant and Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	945,000	11,597	59,175	5,987	24,690	1,046,449
Additions	-	25,139	1,620	-	-	26,759
Disposals	-	-	-	-	-	-
Depreciation expense	23,625	9,412	6,379	829	11,539	51,784
Carrying amounts at the end of the year	921,375	27,324	54,416	5,158	13,151	1,021,424

	Note	2005 \$	2004 \$
9. PAYABLES			
Current			
Trade creditors and accruals		76,350	84,877
Petrol scheme creditor		443,807	356,939
Fringe benefit tax		2,760	2,759
		<u>522,917</u>	<u>444,575</u>
10. INTEREST-BEARING LIABILITIES			
Current			
Lease liability		<u>8,895</u>	<u>8,295</u>
Non-current			
Lease liability		<u>20,811</u>	<u>29,658</u>

**National Electrical Contractors Association
Victorian Chapter**

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

	Note	2005 \$	2004 \$
11. PROVISIONS			
Current			
Annual leave provision		69,821	73,310
Long service provision		39,218	36,188
		109,039	109,498
Non-current			
Employee entitlements		6,658	7,408
		8	8
12. OTHER CURRENT LIABILITIES			
Unsecured			
Deferred income - Subscriptions		946,856	929,009
Bryan Mason trust		9,801	9,801
Security deposit		127,805	110,555
Deferred income - Excellence Award		48,823	59,829
Deferred income - Combined Association Seminars		7,735	-
GST Payable		113,992	91,189
		1,255,012	1,200,383
13. RESERVES			
Asset Revaluation Reserve		270,405	270,405
Capital profit reserve		580,280	580,280
		850,685	850,685
Asset Revaluation Reserve			
Movements during the year			
Opening balance		270,405	-
Revaluation increment arising on revaluing buildings to fair value		-	270,405
Closing balance		270,405	270,405

**National Electrical Contractors Association
Victorian Chapter**

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

	Note	2005 \$	2004 \$
14. RETAINED PROFITS			
Retained profits at the beginning of the financial year		2,114,570	2,006,234
Net profit attributable to the association		590,906	108,336
Retained profits at the end of the financial year		2,705,476	2,114,570

15. COUNCILORS REMUNERATION

No members of the Council receive remuneration apart from reimbursement of expenses.

The names of the person who held offices as Councilors during the year are:

W. McKnight	N. Palmer	M. Graham
R. Ford	N. Lancefield	D. O'Brien
P. Jinks	D. Pierce	T. Cottrell

16. LEASING COMMITMENTS

(a) Operating lease commitments

Payable not later than 1 year	47,914	21,533
Payable later than 1 but not later than 5 years	38,550	86,614
	86,464	108,147

The operating leases are 3 novated leases. The lease payments are paid monthly in advance. 1 lease commenced in April 2001 for 4 years, one lease commenced in July 2003 for a period of 3 years, and the other lease commenced in June 2004 for a period of 2 years. The lease allows the lessee (the employee) to purchase the vehicle at expiration date.

(b) Finance lease commitments

Payable not later than 1 year	10,710	10,710
Payable later than 1 year but not later than 5 years	21,161	31,820
Minimum lease payments	31,871	42,530
Less future finance charges	(2,165)	(4,577)
	29,706	37,953

The finance lease on the motor vehicle, which commenced in 2002, is a 4-year lease. The equipment is being financed through CBFC Leasing Pty Ltd with lease payments paid monthly in advance.

National Electrical Contractors Association Victorian Chapter

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

17. RELATED PARTIES

Council Members and Their Related Entities

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

During the year the National Electrical Contractors Association Victorian Chapter entered into transactions with other Chapters and the National Office and related entities on normal terms and conditions.

Related Party Transactions

ElecNet (Aust) Pty Ltd is the trustee of the National Electrical Contractors Association Severance Scheme Trust and is a related party to the Victorian Chapter. During the year, distribution of \$359,588 (2004: \$ Nil) and Director Fees of \$51,818 (2004:\$ Nil) were received by the Chapter from the Trust.

The Chapter remits subscriptions to the National Electrical Contractors Association – National Office on a yearly basis. The total amount of subscriptions remitted for the year was \$206,841 (2004: \$195,044).

Related Party Balances

The Association has a receivable due from NECA National office for \$1,348 (2004: Nil). It has no other receivables due from or payables to related parties at the year ended.

18. SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment, being an employer organisation in the electrical and electronic industry operating as a Victorian Chapter of NECA National.

Note	2005	2004
	\$	\$

19. STATEMENT OF CASH FLOWS

(i) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and short term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related terms in the balance sheet as follows:

Cash at Bank	1,210,424	757,155
Short term deposits	834,956	792,066
	2,045,380	1,549,221

**National Electrical Contractors Association
Victorian Chapter**

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

19. STATEMENT OF CASH FLOWS (Continued)

**(ii) Reconciliation of cash flows from operations profit
attributable to members**

Operating profit	590,906	108,336
Non-cash flows in operating profit		
Depreciation	51,784	45,572
Investment revaluation	(82,142)	(82,774)
Movement in provisions	(1,209)	24,970
Net cash provided by/(used in) operating activities before change in assets and liabilities	559,339	96,104
Change in assets and liabilities		
(Increase)/decrease in receivables	(155,719)	(159,367)
(Increase)/decrease in other current assets	(1,273)	12,781
(Increase)/decrease in inventories	(4,153)	4,538
Increase/(decrease) in payables	126,130	12,730
Increase/(decrease) in unearned revenue	6,841	111,136
Cash Flows from operating activities	531,165	77,922

**National Electrical Contractors Association
Victorian Chapter**

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

20. 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:

2005	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non-Interest Bearing	Total
			Within 1 Year	1 to 5 years	Over 5 years		
	%	\$	\$	\$	\$	\$	
Financial Assets							
Cash at bank	4.5	1,210,424	-	-	-	-	1,210,424
Investments	5.3	-	834,956	-	-	1,052,962	1,887,918
Receivables		-	-	-	-	1,352,981	1,352,981
		1,210,424	834,956	-	-	2,405,943	4,451,323
Financial Liabilities							
Payables	7.0	-	8,895	20,811	-	76,350	106,056
Net financial assets/ (liabilities)		1,210,424	826,061	(20,811)	-	2,329,593	4,345,267
2004							
	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing			Non-Interest Bearing	Total
	%	\$	Within 1 Year	1 to 5 years	Over 5 years	\$	\$
Financial Assets							
Cash at bank	4.5	757,155	-	-	-	-	757,155
Investments	5.3	-	792,066	-	-	1,052,962	1,845,028
Receivables		-	-	-	-	1,156,167	1,156,167
		757,155	792,066	-	-	2,209,129	3,758,350
Financial Liabilities							
Payables	7.0	-	8,295	29,658	-	84,877	122,830
Net financial assets/ (liabilities)		757,155	783,771	(29,658)	-	2,124,252	3,635,520

**National Electrical Contractors Association
Victorian Chapter**

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

20. FINANCIAL INSTRUMENTS (continued)

b) Credit Risk

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

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

c) Net Fair Values

The net fair values of assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold these assets to maturity.

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

21. ASSOCIATION DETAILS

The principal place of business of the association is:

National Electrical Contractors Association – Victorian Chapter
Level 12, 222 Kingsway
South Melbourne VIC 3205

Melbourne
Bentleys MRI
ABN 62 667 316 249
Audit & Assurance Services Division

Level 7, 114 William Street
Melbourne Vic 3000

GPO Box 2266
Melbourne Vic 3001

T +61 3 9274 0600
F +61 3 9274 0736

audit@melb.bentleys.com.au
www.bentleys.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION, VICTORIAN 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, Victorian Chapter (the association), for the year ended 30 June 2005.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act of Victoria. 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 controls, 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 of Victoria, 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,
VICTORIAN CHAPTER (Continued)**

Independence

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

Audit Opinion

In our opinion, the financial report of the National Electrical Contractors Association, Victorian Chapter, presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the National Electrical Contractors Association, Victorian Chapter, as at 30 June 2005, and the results of its operations and its cash flows for the year then ended.

Bentleys mri

**BENTLEYS MRI
CHARTERED ACCOUNTANTS**

Scott Phillips

**SCOTT PHILLIPS
PARTNER
APPROVED AUDITOR**

Dated in Melbourne on 19TH day of SEPTEMBER 2005