national electrical and communications association

National Electrical and Communications Association Australian Capital Territory Branch

ABN 86 870 297 399

Financial Statements For the Year Ended 30 June 2021

Annual Financial Statements
For the year ended 30 June 2021

Contents

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Independent Audit Report to the Members of National Electrical and Communications Association Australian Capital Territory Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Electrical and Communications Association Australian Capital Territory Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of National Electrical and Communications Association Australian Capital Territory Branch as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

(a) the Australian Accounting Standards; and

(b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the ability of the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

We communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

I declare that I am an auditor registered under the RO Act.

Crowe Audit Australia

Crowe Audit Australia

Suwarti Asmono
Partner

3 November 2021
Sydney

Registration number (as registered by the Commissioner under the RO Act): AA2017/236

Report Required Under Subsection 255(2A)
For the year ended 30 June 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on National Electrical and Communications Association Australian Capital Territory Branch for the year ended 30 June 2021.

	2021	2020
Categories of expenditure	**$**	$
Remuneration and other employment-related costs and expenses – employees	-	-
Advertising	1,182	680
Operating costs	183,212	268,443
Donations to political parties	-	-
Legal costs	-	-

Signature of prescribed designated officer

Name of prescribed designated officer OLIVER JUDD
Title of prescribed designated officer SECRETARY

Dated: 3 November 2021

Operating Report
For the year ended 30 June 2021

The Committee of Management presents its report on the National Electrical and Communications Association Australian Capital Territory Branch ("**the Branch**") for the financial year ended 30th of June 2021.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Branch during the financial year were to represent the interests of its members in the electro technology industry. The main activities were providing industrial relations advice, Work, Health and Safety advice and technical advice.

Non-Financial Results

The Branch's policy function advocates on behalf of the Branch's members to government, the media and other relevant opinion makers to try to create and maintain a conducive business and regulatory environment for its members. This is principally accomplished through submissions to government inquiries, media releases and directly liaising with politicians, regulators and public servants.

The Branch also disseminates information to members regarding political and regulatory developments, in order to assist them in complying with regulations and to take advantage of and mitigate risks relating to issues affecting their businesses.

Significant changes in financial affairs

No significant change in the financial affairs of the Branch occurred during the year.

Significant events

No significant events occurred relating to the Branch during the year.

After balance date events

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

Right of members to resign

Members may resign from the Branch in accordance with Rule 15, Resignation from Membership, of the Federal rules of the National Electrical Contractors Association. Rule 15 conforms with Section 174 of the Fair Work (Registered Organisations) Act 2009.

Number of members

The Branch had 152 (2020: 109) members at financial year end.

Number of employees

The Branch had no full time equivalent (2020: nil FTE) employees at financial year end.

Operating Report (continued)
For the year ended 30 June 2021

Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

To the best of knowledge and belief, no officer or member of the organisation, by virtue of their office or membership of the Branch is:
(i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
(ii) A director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme;

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Names of Committee of Management members and period positions held during the financial year

Name	Position	Period
Barry Skinner	President	1 July 2020 - 15 January 2021 (resigned 15th of January 2021)
Peter Hart	President	2 March 2021 - 30 June 2021 (appointed 2nd of March 2021)
Peter Hart	Vice President	1 July 2020 - 2 March 2021 (resigned 2nd of March 2021)
Robert Shelley	Vice President	2 March 2021 - 30 June 2021 (appointed 2nd of March 2021)
Stephen Buckley	Treasurer	1 July 2020 - 15 January 2021 (resigned 15th of January 2021)
Mark Decker	Treasurer	2 March 2021 - 30 June 2021 (appointed 2nd of March 2021)
Grant Bawden	Councillor	1 July 2020 - 15 January 2021 (resigned 15th of January 2021)
Mark Decker	Councillor	1 July 2020 - 2 March 2021 (resigned 2nd of March 2021)
Robert Shelley	Councillor	1 July 2020 - 2 March 2021 (resigned 2nd of March 2021)
Caitlin Maggs	Councillor	15 January 2021 - 30 June 2021 (appointed 15th of January 2021)
Sally Waters	Councillor	15 January 2021 - 30 June 2021 (appointed 15th of January 2021)
Jason Marriott	Councillor	15 January 2021 - 30 June 2021 (appointed 15th of January 2021)
Oliver Judd	Secretary	1 July 2020 - 30 June 2021

Unless otherwise stated, committee members have been in office for the full financial year.

Signature of prescribed designated officer

Name of prescribed designated officer OLIVER JUDD
Title of prescribed designated officer SECRETARY

Dated: 3 November 2021

Committee of Management Statement
For the year ended 30 June 2021

On 3 November 2021 the Committee of Management of the National Electrical and Communications Association Australian Capital Territory Branch ("**the Branch**") passed the following resolution in relation to the general purpose financial report ("**GPFR**") for the year ended 30 June 2021:

The Committee of Management declares that in its opinion:

a) the financial statements and notes comply with the Australian Accounting Standards;

b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);

c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;

d) there are reasonable grounds to believe that the Branch 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 Branch 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 Branch have been kept and maintained in accordance with the RO Act; and
- iv. where the organisation consists of two or more reporting unit's, the financial records of the Branch's have been kept, as far as practicable, in a consistent manner with each of the other Branch's of the organisation; and
- v. where information has been sought in any request by a member of the Branch or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
- vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

Signature of prescribed designated officer

Name of prescribed designated officer OLIVER JUDD
Title of prescribed designated officer SECRETARY

Dated: 3 November 2021

Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue from contracts with customers			
Membership subscription		164,695	137,786
Other revenue from another reporting unit	3A	24,623	55,059
Membership services		37,630	13,835
Total revenue from contracts with customers		**226,948**	**206,680**
Other income			
Investment income	3B	1,157	3,331
Other income	3C	9,127	69,112
Total other income		**10,284**	**72,443**
Total revenue and other income		**237,232**	**279,123**
Expenses			
Cost of goods sold - membership services		(8,583)	(7,284)
Cost of goods sold - product sales		(2,741)	(1,028)
Capitation fees and other expense to another reporting unit	4A	(157,109)	(153,471)
Affiliation fees and subscriptions	4B	(2,391)	(875)
Administration expenses	4C	(11,096)	(110,226)
Depreciation and amortisation	4D	(1,626)	(1,626)
Audit fees	11	(3,700)	(3,700)
Other expenses	4E	2,852	9,087
Total expenses		**(184,394)**	**(269,123)**
Profit for the year		**52,838**	**10,000**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income for the year		**52,838**	**10,000**

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position
As At 30 June 2021

	Note	**2021** **$**	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	5A	352,368	279,837
Trade and other receivables	5B	71,709	35,543
Prepayments	5C	15,867	3,854
Inventory	5D	-	2,741
Total current assets		**439,944**	**321,975**
Non-current assets			
Intangible assets	6A	2,032	3,658
Total non-current assets		**2,032**	**3,658**
Total assets		**441,976**	**325,633**
LIABILITIES			
Current liabilities			
Trade payables	7A	129,182	71,681
Contract liabilities	7B	21,548	15,544
Total current liabilities		**150,730**	**87,225**
Total liabilities		**150,730**	**87,225**
Net assets		**291,246**	**238,408**
EQUITY			
Retained earnings		**291,246**	238,408
Total equity		**291,246**	**238,408**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity
For the year ended 30 June 2021

	Retained earnings	Total equity
	$	$
Balance at 1 July 2019	**228,408**	**228,408**
Profit for the year	10,000	**10,000**
Other comprehensive income for the year	-	**-**
Closing balance as at 30 June 2020	**238,408**	**238,408**
Balance at 1 July 2020	**238,408**	**238,408**
Profit for the year	52,838	**52,838**
Other comprehensive income for the year	-	**-**
Closing balance as at 30 June 2021	**291,246**	**291,246**

Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021	2020
OPERATING ACTIVITIES		**$**	**$**
Cash received			
Receipts from customers		228,738	270,352
Receipts from fuel sales (i)		406,248	345,128
Receipts from other reporting units	8B	4,935	61,690
Interest	3B	1,157	3,331
Cash used			
Payments to suppliers and employees		(10,368)	(134,236)
Payment to other reporting units	8B	(558,179)	(537,797)
Net cash generated by operating activities	8A	**72,531**	**8,468**
Net increase in cash held		**72,531**	**8,468**
Cash & cash equivalents at the beginning of the reporting period		279,837	271,369
Cash & cash equivalents at the end of the reporting period	5A	**352,368**	**279,837**

(i) Fuel scheme income is shown as the net commission earned in Note 3C: Other income.

Index to the Notes of the Financial Statements

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("**AASB**") that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, National Electrical and Communications Association Australian Capital Territory Branch ("**the Branch**") is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. The significant estimates and judgements made have been described below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Branch based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Branch operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Branch unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The Branch determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)

1.4 New Australian accounting standards

Adoption of New Australian Accounting Standard requirements
The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

• *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Branch.

Future Australian Accounting Standards Requirements
No accounting standard has been adopted earlier than the application date stated in the standard.

1.5 Acquisition of assets and or liabilities that do not constitute a business combination

The Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.6 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers
Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

• the arrangement is enforceable; and
• the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)
1.6 Revenue (continued)
Membership subscriptions
For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Income of the Branch as a Not-for-Profit Entity
Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the branch obtains control of the cash) because, based on the rights and obligations in each arrangement:
• the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
• the branch recognition of the cash contribution does not give to any related liabilities.

Gains from sale of assets
An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income
Interest revenue is recognised on an accrual basis using the effective interest method.

1.7 Cash
Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)

1.8 Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

1.9 Financial assets

Contract assets and receivables

A contract asset is recognised when the Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("**OCI**"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("**SPPI**") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)
1.9 Financial assets (continued)
Financial assets at amortised cost
The Branch measures financial assets at amortised cost if both of the following conditions are met:
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition
A financial asset is derecognised when:
• The rights to receive cash flows from the asset have expired or
• The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either:
a) the Branch has transferred substantially all the risks and rewards of the asset, or
b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Note 1 Summary of significant accounting policies (continued)

1.9 Financial assets (continued)

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses ("**ECLs**") which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.10 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)

1.10 Financial liabilities (continued)

ECLs are recognised in two stages:

• Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

• Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.11 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Branch performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Branch's refund liabilities arise from customers' right of return. The liability is measured at the amount the Branch ultimately expects it will have to return to the customer. The Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.12 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.13 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Branch's intangible assets are:

	2021	2020
Software	2-5 years	2-5 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 1 Summary of significant accounting policies (continued)
1.14 Impairment of non-financial assets
All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.15 Taxation
The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax ("**FBT**") and the Goods and Services Tax ("**GST**").

Revenues, expenses and assets are recognised net of GST except:
- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.16 Going concern
The financial report has been prepared on the going concern basis. The committee of management believe 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.

No financial support was received from or provided to other reporting units during the financial year.

Note 2 Events after the reporting period
As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer.

	2021	2020
	$	$
Type of customer		
Members	202,325	151,621
Other reporting units	24,623	55,059
Total revenue from contracts with customers	**226,948**	**206,680**

Note 3A: Other revenue from another reporting unit

Reporting units:		
National Electrical and Communications Association - New South Wales Branch		
Consultant cost recovery	20,136	-
Excellence awards - share of sponsorship	-	54,306
Others	4,487	-
Related parties		
NECA Training Ltd		
Other income	-	753
Total other revenue from other reporting unit	**24,623**	**55,059**

Note 3B: Investment income

Interest		
Deposits	1,157	3,331
Total investment income	**1,157**	**3,331**

Note 3C: Other income

Fuel scheme income	7,337	5,440
Events and conferences		
Excellence awards - sponsorship	1,727	62,890
Roadshow income	-	777
Other income	63	5
Total revenue from other income	**9,127**	**69,112**

Notes to the Financial Statements
For the year ended 30 June 2021

	2021 $	2020 $
Note 4 Expenses		
Note 4A: Capitation fees and other expense to another reporting unit		
Capitation fees		
National Electrical and Communications Association - National Office	30,108	29,999
Subtotal capitation fees	**30,108**	**29,999**
Other expense to another reporting unit		
Reporting unit's:		
National Electrical and Communications Association - National Office		
Conference and meeting expenses	-	19,530
Insurance	4,673	451
Other expenses	941	525
National Electrical and Communications Association - New South Wales Branch		
Roadshow expenses	585	2,005
Management fee	60,000	60,000
Conference and meeting expenses	1,549	4,531
Computer expenses	4,389	533
Consultant fees	54,208	-
Insurance expenses	656	-
Other expenses	-	12,752
Related parties		
ECA Training Pty Ltd		
Insurance expenses	-	23,145
Subtotal other expense to another reporting unit	**127,001**	**123,472**
Total capitation fees and other expense to another reporting unit	**157,109**	**153,471**

Note 4B: Affiliation fees and subscriptions

	2021 $	2020 $
Affiliation fees	-	875
Subscriptions	2,391	-
Total affiliation fees and subscriptions	**2,391**	**875**

Note 4C: Administration expenses

	2021 $	2020 $
Conference and meeting expenses	254	103,345
Contractors/consultants	4,518	2,336
Office expenses	222	220
Computer expenses	4,172	1,697
Travel and accommodation expenses	503	1,570
Motor vehicle expenses	1,257	-
Other	170	1,058
Subtotal administration expense	**11,096**	**110,226**
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	**11,096**	**110,226**

Note 4D: Depreciation and amortisation

	2021 $	2020 $
Amortisation	1,626	1,626
Total depreciation and amortisation	**1,626**	**1,626**

Notes to the Financial Statements
For the year ended 30 June 2021

	2021 $	2020 $
Note 4E: Other expenses		
Bad debts	(3,089)	(9,645)
Other expenses	237	558
Total other expenses	**(2,852)**	**(9,087)**

Note 5 Current assets
Note 5A: Cash and cash equivalents

Cash at bank	352,368	279,837
Total cash and cash equivalents	**352,368**	**279,837**

Note 5B: Trade and other receivables

Other receivables:		
Trade receivables	76,016	36,650
Other receivables	1,470	561
GST receivable	(4,888)	2,310
Total other receivables	**72,598**	**39,521**
Less allowance for expected credit losses	(889)	(3,978)
Total allowance for expected credit losses	**(889)**	**(3,978)**
Other receivables (net)	**71,709**	**35,543**
Total trade and other receivables (net)	**71,709**	**35,543**

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

Balance at beginning of year	**(3,978)**	**(13,623)**
Increase in provision recognised in the Statement of Comprehensive Income	-	-
Reversal of unused provision recognised in the Statement of Comprehensive income	3,089	9,645
Balance at end of year	**(889)**	**(3,978)**

Note 5C: Prepayments

Prepayments - general	1,387	218
Prepayments - event costs	14,480	3,636
Total prepayments	**15,867**	**3,854**

Note 5D: Inventory

Current		
Inventory	-	2,741
Total inventory	**-**	**2,741**

Notes to the Financial Statements
For the year ended 30 June 2021

	2021 $	2020 $
Note 6 Non-current Assets		
Note 6A: Intangible assets		
Software - at cost	6,500	6,500
less accumulated amortisation	(4,468)	(2,842)
Total intangible assets	**2,032**	**3,658**
Balance at 1 July 2019	**5,284**	
Additions	-	
Disposals	-	
Amortisation	(1,626)	
Balance at 30 June 2020	**3,658**	
Balance at 1 July 2020	**3,658**	
Additions	-	
Disposals	-	
Amortisation	(1,626)	
Balance at 30 June 2021	**2,032**	

	2021 $	2020 $
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	67,057	20,699
Subtotal trade creditors	**67,057**	**20,699**
Payables to other reporting units		
National Electrical and Communications Association - National Office	303	-
National Electrical and Communications Association - New South Wales Branch	35,589	50,982
Payables to related parties		
ECA Training Pty Ltd	25,459	-
NECA Legal Pty Ltd	774	-
Subtotal payables to other reporting units	**62,125**	**50,982**
Total trade payables	**129,182**	**71,681**
Trade payables are expected to be settled in:		
No more than 12 months	129,182	71,681
More than 12 months	-	-
Total other payables	**129,182**	**71,681**

Settlement is usually made within 30 days.

	2021 $	2020 $
Note 7B: Contract liabilities		
Current		
Income in advance	21,548	15,544
Total contract liabilities	**21,548**	**15,544**

Notes to the Financial Statements
For the year ended 30 June 2021

	2021 $	2020 $
Note 8 Cash flow		
Note 8A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	352,368	279,837
Balance sheet	352,368	279,837
Difference	**-**	**-**
Reconciliation of profit to net cash from operating activities:		
Profit for the year	52,838	10,000
Adjustments for non-cash items		
Depreciation/amortisation	1,626	1,626
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(36,166)	9,772
(Increase)/decrease in prepayments	(12,013)	15,819
(Increase)/decrease in inventory	2,741	1,028
Increase/(decrease) in trade payables	57,501	484
Increase/(decrease) in contract liabilities	6,004	(30,261)
Net cash from/(used by) operating activities	**72,531**	**8,468**

Note 8B: Cash flow information		
Cash inflows from operations		
Other reporting units		
National Electrical and Communications Association - New South Wales Branch	4,935	59,737
Related parties		
NECA Training Ltd	-	1,953
Total cash inflows	**4,935**	**61,690**
Cash outflows		
Other reporting units		
National Electrical and Communications Association - National Office	38,962	55,551
National Electrical and Communications Association - New South Wales Branch	515,358	464,495
Related parties		
ECA Training Pty Ltd	385	17,228
NECA Training Ltd	-	523
NECA Legal Pty Ltd	3,474	-
Total cash outflows	**558,179**	**537,797**

(i) Fuel scheme income is shown as the net commission earned in Note 3C: Other income. During the year the Branch paid the NSW Branch $398,911 (2020: $339,688) for member fuel accounts, these accounts are then recovered from members enrolled in the scheme.

Note 9 Contingent liabilities, assets and commitments
There are no material financial contingencies to report at balance date.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 10 Related party disclosures
Note 10A: Related party transactions for the reporting period

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

During the year the Branch received subscriptions from committee member related entities on normal commercial terms and conditions.

Remuneration of committee members during the year was $nil (2020: $nil).

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2021 $	2020 $
Revenue received from:		
Other reporting units		
Refer to Note 3A: Other revenue from another reporting unit	24,623	55,059
Expenses paid to:		
Other reporting units		
Refer to Note 4A: Capitation fees and other expense to another reporting unit	157,109	153,471
Amounts owed by		
Other reporting units	-	-
Amounts owed to		
Other reporting units		
Refer to Note 7A: Trade payables	62,125	50,982

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2021, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: $nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party.

Note 10B: Key management personnel remuneration for the reporting period

There were no transactions with key management personnel in the current period (2020: $nil).

Note 10C: Transactions with key management personnel and their close family members

Other transactions with key management personnel

Committee members, directors and their related entities are able to use the services provided by the National Electrical and Communications Association. Such services are made available on terms and conditions no more favourable than those available to other members.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 11 Remuneration of auditors

	Note	2021 $	2020 $
Value of the services provided			
Financial statement audit services		2,200	2,200
Other services		1,500	1,500
Total remuneration of auditors		**3,700**	**3,700**

The auditor is Crowe Audit Australia. The fees are stated net of GST.

Note 12 Financial instruments

The main risks the Branch are exposed to, through its financial instruments, are credit risk, liquidity risk and market risk consisting of interest rate risk, and equity price risk.

The Branch financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from related parties.

The totals for each category of financial instruments, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows:

Note 12A: Categories of financial instruments

	Note	2021	2020
Financial Assets at amortised cost			
Cash and cash equivalents	5A	352,368	279,837
Trade and other receivables	5B	71,709	35,543
Inventory	5D	-	2,741
Total financial Assets at amortised cost		**424,077**	318,121
Financial liabilities at amortised cost			
Trade payables	7A	129,182	71,681
Contract liabilities	7B	21,548	15,544
Total financial liabilities at amortised cost		**150,730**	87,225

The Committee of Management has overall responsibility for the establishment of the Branch's financial risk management framework. This includes the development of policies covering specific areas such as, interest rate risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

The day to day risk management is carried out under policies and objectives which have been approved by the Committee of Management. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate movements. The Committee of Management receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The Branch does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 12 Financial instruments (continued)

Note 12B: Net income and expense from financial assets

	Note	2021 $	2020 $
Amortised cost			
Interest revenue	3B	1,157	3,331
Net income and expense from financial assets		**1,157**	**3,331**

Note 12C: Credit risk

Exposure to credit risk relating to financial assets arises from the potential non performance by counterparties of contract obligations that could lead to a financial loss to the Branch and arises principally from the Branch's receivables.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

The Branch has no significant concentration of credit risk with any single counterparty or Branch of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5B.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2021	2020
Financial assets		
Trade receivables	76,016	36,650
Total financial assets	**76,016**	36,650

Notes to the Financial Statements
For the year ended 30 June 2021

Note 12 Financial instruments (continued)
Note 12C: Credit risk (continued)

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2021	Trade and other receivables					
		Days past due				
	On Demand	<30 days $	30-60 days $	61-90 days $	>91 days $	Total $
Expected credit loss rate	0%	0.77%	14.9%	0.0%	28.0%	
Estimate total gross carrying amount at default	-	74,337	1,144	-	535	**76,016**
Expected credit loss	-	569	170	-	150	**889**

30 June 2020	Trade and other receivables					
		Days past due				
	On Demand	<30 days $	30-60 days $	61-90 days $	>91 days $	Total $
Expected credit loss rate	0%	10.11%	0.00%	100.00%	0.0%	
Estimate total gross carrying amount at default	-	36,345	-	305	-	**36,650**
Expected credit loss	-	3,673	-	305	-	**3,978**

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2021 and 2020 is the carrying amounts as illustrated in Note 12C.

Note 12D: Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

Typically, the Branch ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.
The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 12 Financial instruments (continued)
Note 12D: Liquidity risk (continued)

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	129,182	-	-	-	**129,182**
Total	**-**	**129,182**	**-**	**-**	**-**	**129,182**

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	71,681	-	-	-	**71,681**
Total	**-**	**71,681**	**-**	**-**	**-**	**71,681**

Note 12E: Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments held within the Branch will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The exposure to market risk is a result of the asset allocation strategy prescribing investments across certain asset classes. The Branch is only exposed to interest rate risk and other price risk as detailed below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial market instrument will fluctuate because of changes in market interest rates. The Branch is affected by interest rate risk due to its directly held cash balances. The Branch does not have any floating rate debt instruments for both 2021 and 2020. The exposure to interest rate risk has a direct impact on the Statement of Comprehensive Income and Statement of Financial Position of the Branch.

Interest rate risk is measured and monitored by the calculation of the duration of the investment portfolios which approximates the percentage change in portfolio valuation from a percentage change in market interest rates.

Interest rate risk is measured and monitored by the calculation of the duration of the investment portfolios which approximates the percentage change in portfolio valuation from a percentage change in market interest rates. The only component of the financial instruments directly impacted by interest rates volatility for the purposes of quantifying the interest rate sensitivities are the cash holdings either within the individual portfolios or the master custodian accounts for the investment portfolio.

The following table illustrates sensitivities to the Branch's exposure to changes in interest rates on its directly held cash balances. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Notes to the Financial Statements
For the year ended 30 June 2021

Note 12 Financial instruments (continued)
Note 12E: Market risk (continued)

Sensitivity analysis of the risk that the entity is exposed to for 2021

	Change in risk variable %	Effect on Profit $	Effect on Equity $
Interest rate risk	2%	7,047	7,047
Interest rate risk	-2%	(7,047)	(7,047)

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Change in risk variable %	Effect on Profit $	Effect on Equity $
Interest rate risk	2%	5,597	5,597
Interest rate risk	-2%	(5,597)	(5,597)

Management of the Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

• Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2021 was assessed to be insignificant.
• Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
• Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Note	Carrying amount 2021 $	Fair value 2021 $	Carrying amount 2020 $	Fair value 2020 $
Financial assets					
Cash and cash equivalents	5A	352,368	352,368	279,837	279,837
Trade and other receivables	5B	71,709	71,709	35,543	35,543
Inventory	5D	-	-	2,741	2,741
Total		**424,077**	**424,077**	**318,121**	**318,121**
Financial liabilities					
Trade and other payables	7A	129,182	129,182	71,681	71,681
Contract liabilities	7B	21,548	21,548	15,544	15,544
Total		**150,730**	**150,730**	**87,225**	**87,225**

Notes to the Financial Statements
For the year ended 30 June 2021

Note 13 Association Details

The principal place of business of the Branch is:

National Electrical and Communications Association Australian Capital Territory Branch
49 Tennant Street
Fyshwick, Australian Capital Territory, 2609

Note 14 Administration of financial affairs by a third party

Name of entity providing service:
National Electrical and Communications Association - New South Wales Branch

Terms and conditions:
NECA NSW will manage all of NECA ACT Branch operations for which it will charge an administration fee of $5,000 per month.

Nature of expenses/consultancy service:
Administration and Membership Services

Detailed breakdown of revenues collected and/or expenses incurred

	2021	2020
	$	$
Expenses		
Administration expenses	60,000	79,821
Total expenses	60,000	79,821

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

1) A member of a reporting unit, or the Commissioner, 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).

Officer declaration statement

I, Oliver Judd, being the Secretary of the National Electrical and Communications Association Australian Capital Territory Branch ("**the Branch**") declare that the following activities did not occur during the reporting period ending 30 June 2021.

The Branch did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a donation that was $1,000 or less
- pay a donation that exceeded $1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay wages and salaries to employees (other than holders of office)
- pay superannuation to employees (other than holders of office)
- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a annual leave provision in respect of employees (other than holders of office)
- have a long service leave provision in respect of employees (other than holders of office)
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Officer declaration statement (continued)

Signature of prescribed designated officer

Name of prescribed designated officer OLIVER JUDD
Title of prescribed designated officer SECRETARY

Dated: 3 November 2021