



## Electrical Contractors Association of New South Wales

ABN 41 898 163 731

---

Financial Statements For the Year Ended 30 June 2023

**Annual Financial Statements**  
**For the year ended 30 June 2023**

**Contents**

Independent Audit Report	3
Operating Report	6
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	21

# Independent Auditor's Report to the Members of Electrical Contractors Association of New South Wales

## Opinion

We have audited the financial report of Electrical Contractors Association of New South Wales (the Association) which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Electrical Contractors Association of New South Wales is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

## 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 Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

*Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.*

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.*

© 2023 Findex (Aust) Pty Ltd

## Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Association's Operating Report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

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 Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*, and for such internal control as the directors 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 directors are responsible for assessing the ability of the Association 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 Association 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 Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Association'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 Association 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.

We communicate with the directors 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.

*Crowe Audit Australia .*

**Crowe Audit Australia**

*BRD*

**Barbara Richmond**  
Partner

31 October 2023  
Sydney

**Operating Report**  
**For the year ended 30 June 2023**

The Committee of Management presents its report on the Electrical Contractors Association of New South Wales ("ECA NSW") for the financial year ended 30 of June 2023.

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

ECA NSW is registered under the Industrial Relations Act 1996 as a State Peak Council for Employers.

The Principal activities of ECA NSW during the financial year were to represent the interests of the members on the electro technology industry.

**Significant changes in financial affairs**

There were no significant changes in the financial affairs of ECA NSW during the year.

**Significant events**

There were no significant events that occurred relating to ECA NSW during the year.

**After balance date events**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of ECA NSW, the results of those operations, or the state of affairs of ECA NSW in subsequent financial periods.

**Indemnity and insurance of officers and auditor**

A related party of the Association has indemnified the directors and executives of the Association for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

The Association has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Association or any related entity against a liability incurred by the auditor.

**Right of members to resign**

A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

**Number of members**

As at 30 June 2023 there were 2,350 (2022:2,174) members of the National Electrical and Communications Association New South Wales Branch.

**Number of employees**

ECA NSW had no full time equivalent (2022: nil FTE) employees at financial year end.

**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**

<b>Name</b>	<b>Position</b>	<b>Position held because they are an officer/member of NECA or were nominated by NECA?</b>
Chris Madson	Director of NESS Super Pty Ltd	Yes
John Williams	Director of NESS Super Pty Ltd	Yes
Ian Millner	Alternate Director of NESS Super Pty Ltd (resigned 31 March 2023)	Yes

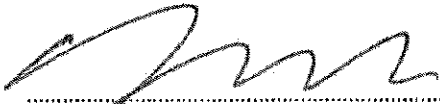
Operating Report (continued)  
For the year ended 30 June 2023

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

Name	Position	Period
Stephen Kerfoot	President	1 July 2022 - 30 June 2023
David Orr	Vice President	1 July 2022 - 30 June 2023
Chris Madson	Treasurer	1 July 2022 - 30 June 2023
Bruce Duff	Committee Member	1 July 2022 - 30 June 2023
Jeffrey Brown	Committee Member	1 July 2022 - 30 June 2023
Sam Turnbull	Committee Member	1 July 2022 - 20 June 2023 (resigned 20 June 2023)
Lea Hicks	Committee Member	1 July 2022 - 30 June 2023
Anthony Cambridge	Committee Member	1 July 2022 - 30 June 2023
Oliver Judd	Secretary	1 July 2022 - 30 June 2023

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: 31/10/2023

Signature of prescribed designated officer



Name of prescribed designated officer STEPHEN KERFOOT  
Title of prescribed designated officer PRESIDENT

Dated: 31/10/2023

**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2023

	2023	2022
Note	\$	\$
<b>Revenue from contracts with customers</b>		
Other revenue	3,500	3,500
<b>Total revenue from contracts with customers</b>	<b>3,500</b>	<b>3,500</b>
<b>Total revenue and other income</b>	<b>3,500</b>	<b>3,500</b>
<b>Expenses</b>		
Administration expenses	4 (132)	(120)
Audit fees	8 (3,300)	(3,300)
<b>Total expenses</b>	<b>(3,432)</b>	<b>(3,420)</b>
<b>Profit for the year</b>	<b>68</b>	<b>80</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>68</b>	<b>80</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



**Statement of Financial Position**  
**As at 30 June 2023**

	2023	2022
Note	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	269	3,701
Trade receivables	3,500	-
<b>Total current assets</b>	<b>3,769</b>	<b>3,701</b>
<b>Total assets</b>	<b>3,769</b>	<b>3,701</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	3,300	3,300
<b>Total current liabilities</b>	<b>3,300</b>	<b>3,300</b>
<b>Total liabilities</b>	<b>3,300</b>	<b>3,300</b>
<b>Net assets</b>	<b>469</b>	<b>401</b>
<b>EQUITY</b>		
Retained earnings	469	401
<b>Total equity</b>	<b>469</b>	<b>401</b>

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 2023**

	<b>Retained earnings</b>	<b>Total equity</b>
	\$	\$
<b>Balance at 1 July 2021</b>	<b>321</b>	<b>321</b>
Profit for the year	80	80
Other comprehensive income for the year	-	-
<b>Closing balance as at 30 June 2022</b>	<b>401</b>	<b>401</b>
<b>Balance at 1 July 2022</b>	<b>401</b>	<b>401</b>
Profit for the year	68	68
Other comprehensive income for the year	-	-
<b>Closing balance as at 30 June 2023</b>	<b>469</b>	<b>469</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**Statement of Cash Flows**  
**For the year ended 30 June 2023**

	2023	2022
Note	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers, gross of GST	-	3,500
Payments to suppliers, gross of GST	(3,432)	(3,420)
<b>Net cash flows from operating activities</b>	<b>(3,432)</b>	<b>80</b>
<b>Cash flows from investing activities</b>		
Net cash flows from investing activities	-	-
<b>Cash flows from financing activities</b>		
Net cash flows from financing activities	-	-
<b>Net (decrease)/increase in cash held</b>	<b>(3,432)</b>	<b>80</b>
Cash & cash equivalents at the beginning of the year	3,701	3,621
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>269</b>	<b>3,701</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

**Annual Financial Statements**  
**For the year ended 30 June 2023**

**Index to the Notes of the Financial Statements**

Summary of significant accounting policies	13
Events after the reporting period	17
Revenue and income	18
Administration expenses	18
Cash and cash equivalents	18
Trade receivables	18
Trade payables	18
Remuneration of auditors	18
Contingent liabilities, assets and commitments	19
Related party disclosures	19
Financial instruments	19
Association details	22

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 1 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**1.1 Basis of preparation of the financial statements**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and associated regulations. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

**1.4 New or amended Australian Accounting Standards and Interpretations adopted**

ECA NSW has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**1.5 Revenue**

ECA NSW enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of 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 ECA NSW has a contract with a customer, ECA NSW recognises revenue when or as it transfers control of goods or services to the customer. ECA NSW 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 2023**

**Note 1 Summary of significant accounting policies (continued)**

**1.5 Revenue (continued)**

**Income of ECA NSW as a Not-for-Profit Entity**

Consideration is received by ECA NSW to enable the entity to further its objectives. ECA NSW recognises each of these amounts of consideration as income when the consideration is received (which is when the ECA NSW 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
- ECA NSW recognition of the cash contribution does not give to any related liabilities.

During the year, ECA NSW received cash consideration from the following arrangements whereby that consideration will be recognised as income when it transfers services to the customer:

- bookkeeping service.

**1.6 Cash and cash equivalents**

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.

**1.7 Financial instruments**

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

**1.8 Financial assets**

**Contract assets and receivables**

A contract asset is recognised when ECA NSW's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on ECA NSW'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).

**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.

**Financial assets at amortised cost**

ECA NSW 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.

ECA NSW's financial assets at amortised cost includes trade receivables.

**Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- ECA NSW 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:

Notes to the Financial Statements  
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

1.8 Financial assets (continued)

- a) ECA NSW has transferred substantially all the risks and rewards of the asset, or
- b) ECA NSW has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When ECA NSW 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, ECA NSW 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.

**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, ECA NSW 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, ECA NSW does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECA NSW 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.

1.9 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.

ECA NSW'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.

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 1 Summary of significant accounting policies (continued)**

**1.9 Financial liabilities (continued)**

**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.

**1.10 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 ECA NSW transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when ECA NSW performs under the contract (i.e., transfers control of the related goods or services to the customer).

**1.11 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.

**1.12 Taxation**

ECA NSW 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).

Revenues, expenses and assets are recognised including GST.

**1.13 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.

**Note 2 Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, of the Association's state of affairs in future financial years.

**Note 3 Revenue and Income**

**Disaggregation of revenue from contracts with customers**

A disaggregation of the ECA NSW's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

	2023 \$	2022 \$
<b>Income funding sources</b>		
Related parties	3,500	3,500
<b>Total income for furthering activities</b>	<b>3,500</b>	<b>3,500</b>

**Note 3A Revenue**

Other revenue	3,500	3,500
<b>Total revenue</b>	<b>3,500</b>	<b>3,500</b>



Notes to the Financial Statements  
For the year ended 30 June 2023

	2023 \$	2022 \$
<b>Note 4 Administration expenses</b>		
Bank fees	132	120
<b>Total administration expense</b>	<b>132</b>	<b>120</b>
<b>Note 5 Cash and cash equivalents</b>		
Cash at bank	269	3,701
<b>Total cash and cash equivalents</b>	<b>269</b>	<b>3,701</b>
<b>Note 6 Trade receivables</b>		
Trade receivables - related party	3,500	-
<b>Subtotal trade receivables</b>	<b>3,500</b>	<b>-</b>
<b>Note 7 Trade payables</b>		
Trade creditors and accruals	3,300	3,300
<b>Subtotal trade creditors</b>	<b>3,300</b>	<b>3,300</b>
<b>Note 8 Remuneration of auditors</b>		
<b>Value of the services provided</b>		
Financial statement audit services	1,650	1,650
Other services	1,650	1,650
<b>Total remuneration of auditors</b>	<b>3,300</b>	<b>3,300</b>

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

**Note 9 Contingent liabilities, assets and commitments**

There are no material financial contingencies to report at balance date.

**Note 10 Related party disclosures**

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 ECA NSW received revenue of \$3,500 (2022: \$3,500) from National Electrical and Communications Association New South Wales Branch, a related entity, on normal commercial terms and conditions.

**Note 11 Financial instruments**

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

ECA NSW financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

**Notes to the Financial Statements**  
**For the year ended 30 June 2023**

**Note 11 Financial instruments (continued)**

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:

	2023	2022
Note	\$	\$
<b>Note 11A: Categories of financial instruments</b>		
<b>Financial Assets at amortised cost</b>		
Cash and cash equivalents	269	3,701
Trade receivables	3,500	-
<b>Total financial assets at amortised cost</b>	<b>3,769</b>	<b>3,701</b>
<b>Financial liabilities at amortised cost</b>		
Trade payables	3,300	3,300
<b>Total financial liabilities at amortised cost</b>	<b>3,300</b>	<b>3,300</b>

The Committee of Management has overall responsibility for the establishment of ECA NSW'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.

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

**Note 11B: Liquidity risk**

Liquidity risk arises from the possibility that ECA NSW might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. ECA NSW 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, ECA NSW ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

Notes to the Financial Statements  
For the year ended 30 June 2023

Note 11 Financial instruments (continued)

**Note 11B: Liquidity risk**

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.

**Contractual maturities for financial liabilities 2023**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	3,300	-	-	-	3,300
<b>Total</b>	<b>-</b>	<b>3,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,300</b>

**Contractual maturities for financial liabilities 2022**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	3,300	-	-	-	3,300
<b>Total</b>	<b>-</b>	<b>3,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,300</b>

**Note 11C: Market risk**

Market risk is the risk that the fair value or future cash flows of the financial instruments held within the ECA NSW 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. ECA NSW 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. ECA NSW is affected by interest rate risk due to its directly held cash balances. ECA NSW does not have any floating rate debt instruments for both 2023 and 2022. The exposure to interest rate risk has a direct impact on the Statement of Comprehensive Income and Statement of Financial Position of ECA NSW.

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 ECA NSW'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 2023**

**Note 11 Financial instruments (continued)**

**Note 11C: Market risk (continued)**

Sensitivity analysis of the risk that the entity is exposed to for 2023:

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

Sensitivity analysis of the risk that the entity is exposed to for 2023:

	Change in risk variable %	Effect on	
		Profit \$	Equity \$
Interest rate risk	2%	74	74
Interest rate risk	-2%	(74)	(74)

Management of ECA NSW 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 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 ECA NSW 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 2023 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 ECA NSW's financial assets and liabilities:

		Carrying amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
<b>Financial assets</b>	<b>Note</b>				
Cash and cash equivalents	5	269	269	3,701	3,701
Trade receivables	6	3,500	3,500	-	-
<b>Total</b>		<b>3,769</b>	<b>3,769</b>	<b>3,701</b>	<b>3,701</b>
<b>Financial liabilities</b>					
Trade payables	7	3,300	3,300	3,300	3,300
<b>Total</b>		<b>3,300</b>	<b>3,300</b>	<b>3,300</b>	<b>3,300</b>

**Note 12 Association details**

The principal place of business of the entity is:  
Electrical Contractors Association of New South Wales  
122 Hume Highway  
Chullora NSW 2190

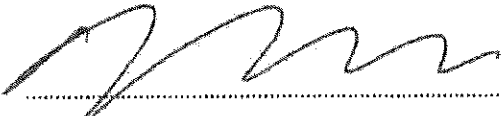
Directors' Declaration  
For the year ended 30 June 2023

In the officers' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - *Simplified Disclosures* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of Electrical Contractors Association of New South Wales's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the officers.

Signature of prescribed designated officer



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

Dated: 31/10/2023

Signature of prescribed designated officer



Name of prescribed designated officer STEPHEN KERFOOT  
Title of prescribed designated officer PRESIDENT

Dated: 31/10/2023