National Electrical and Communications Association Queensland Branch

ABN 96 409 004 653

Financial Statements For the Year Ended 30 June 2023

Annual Financial Statements
For the year ended 30 June 2023

Contents

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Independent Audit Report to the Members of National Electrical and Communications Association Queensland Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Electrical and Communications Association Queensland Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2023, 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 Queensland Branch as at 30 June 2023, 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

B Rd

Barbara Richmond
Partner

31 October 2023
Sydney

Registration number (as registered by the Commissioner under the RO Act): (AA2023/1)

Report Required Under Subsection 255(2A)
For the year ended 30 June 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) on National Electrical and Communications Association Queensland Branch for the year ended 30 June 2023.

	2023	2022
Categories of expenditure	**$**	$
Remuneration and other employment-related costs and expenses – employees	237,317	254,735
Advertising	11,389	41,885
Operating costs	661,180	446,697
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer

....

Name of designated officer OLIVER JUDD
Title of designated officer CHIEF EXECUTIVE OFFICER

Dated: 31/10/2023

Operating Report
For the year ended 30 June 2023

The Committee of Management presents its report on the National Electrical and Communications Association Queensland Branch ("**the Branch**") for the financial year ended 30th 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

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

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 and Communications Association. Rule 15 conforms with Section 174 of the Fair Work (Registered Organisations) Act 2009.

Number of members

The Branch had 488 (2022: 435) members at financial year end.

Number of employees

The Branch had 1.83 full time equivalent (2022: 2 FTE) employees at financial year end.

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

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
David James	President	1 July 2022 - 30 June 2023
Dave McInnes	Committee Member	1 July 2022 - 30 June 2023
Trish Elsden	Vice President	1 July 2022 - 30 June 2023
Russel Thompson	Treasurer	1 July 2022 - 30 June 2023
Gavin Peterson	Committee Member	1 July 2022 - 30 June 2023
Heidi Jonsson	Committee Member	1 July 2022 - 30 June 2023
Bob Davis	Committee Member	1 July 2022 - 30 June 2023
Michael Davis	Committee Member	1 July 2022 - 30 June 2023
Oliver Judd	Secretary	1 July 2022 - 26 April 2023 (ceased to hold office 26 April 2023)

Signature of prescribed designated officer

....

Name of prescribed designated officer OLIVER JUDD
Title of prescribed designated officer CHIEF EXECUTIVE OFFICER

Dated: 31/10/2023

Committee of Management Statement
For the year ended 30 June 2023

On ...31.../...10.../2023 the Committee of Management of the National Electrical and Communications Association Queensland Branch ("**the Branch**") passed the following resolution in relation to the general purpose financial report ("**GPFR**") for the year ended 30 June 2023:

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 units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner with each of the other reporting units 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.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer

....

Name of designated officer OLIVER JUDD
Title of designated officer CHIEF EXECUTIVE OFFICER

Dated: ....31/10/2023..........

Statement of Comprehensive Income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue from contracts with customers			
Membership subscription		490,574	418,495
Other revenue from another reporting unit	3A	110,381	112,866
Membership services		138,615	126,890
Product sales		-	396
Total revenue from contracts with customers		**739,570**	**658,647**
Other income			
Investment income	3B	232	6
Other income	3C	183,115	277,998
Total other income		**183,347**	**278,004**
Total revenue and other income		**922,917**	**936,651**
Expenses			
Employee expenses	4A	(237,317)	(254,735)
Cost of sales - membership services		(27,569)	(103,871)
Capitation fees and other expense to another reporting unit	4B	(432,992)	(268,466)
Affiliation and subscription fees	4C	-	(1,754)
Administration expenses	4D	(162,915)	(78,497)
Depreciation and amortisation	4E	(8,793)	(8,271)
Audit fees	12	(6,500)	(5,200)
Other expenses	4F	(33,800)	(22,523)
Total expenses		**(909,886)**	**(743,317)**
Profit for the year		**13,031**	**193,334**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		**-**	**-**
Total comprehensive income for the year		**13,031**	**193,334**

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

Statement of Financial Position
As At 30 June 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	5A	448,906	463,509
Trade and other receivables	5B	82,944	52,433
Prepayments	5C	55,399	41,845
Total current assets		**587,249**	**557,787**
Non-current assets			
Plant and equipment	6A	9,229	16,250
Total non-current assets		**9,229**	**16,250**
Total assets		**596,478**	**574,037**
LIABILITIES			
Current liabilities			
Trade payables	7A	127,499	100,996
Other payables	7B	31,598	23,817
Contract liabilities	7C	98,689	127,419
Employee provisions	8A	10,434	7,938
Total current liabilities		**268,220**	**260,170**
Non-current liabilities			
Employee provisions	8A	2,768	1,408
Total non-current liabilities		**2,768**	**1,408**
Total liabilities		**270,988**	**261,578**
Net assets		**325,490**	**312,459**
EQUITY			
Retained earnings		325,490	312,459
Total equity		**325,490**	**312,459**

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

	Retained earnings	Total equity
	$	$
Balance at 1 July 2021	**119,125**	**119,125**
Profit for the year	193,334	**193,334**
Other comprehensive income for the year	-	-
Closing balance as at 30 June 2022	**312,459**	**312,459**
Balance at 1 July 2022	**312,459**	**312,459**
Profit for the year	13,031	**13,031**
Other comprehensive income for the year	-	-
Closing balance as at 30 June 2023	**325,490**	**325,490**

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

	Note	2023 $	2022 $
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		880,866	751,897
Receipts from other reporting units	9B	121,898	253,102
Interest	3B	232	6
Cash used			
Payments to suppliers and employees		(284,567)	(323,623)
Payment to other reporting units	9B	(731,260)	(429,684)
Net cash (used in) / from operating activities	9A	**(12,831)**	**251,698**
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(1,772)	-
Net cash (used by) investing activities		**(1,772)**	**-**
Net (decrease) / increase in cash held		**(14,603)**	**251,698**
Cash & cash equivalents at the beginning of the reporting period		463,509	211,811
Cash & cash equivalents at the end of the reporting period	5A	**448,906**	**463,509**

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

Notes to and Forming Part of the Financial Statements

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

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 Queensland ("**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.

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.

Employee benefits provision

As discussed in note 1.8, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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.

No accounting standard has been adopted earlier than the application date stated in the standard.

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *AASB 5 Non-current Asset Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 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.

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

Note 1 Summary of significant accounting policies (continued)

1.7 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.

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.

Note 1 Summary of significant accounting policies (continued)

1.7 Revenue (continued)

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.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in *AASB 119 Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 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.

1.10 Financial instruments

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

Note 1 Summary of significant accounting policies (continued)

1.11 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

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.

Note 1 Summary of significant accounting policies (continued)
1.11 Financial assets (continued)
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.

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.

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

Note 1 Summary of significant accounting policies (continued)
1.12 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.

1.13 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.

1.14 Land, buildings, plant and equipment
Asset Recognition Threshold
Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation
Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Right of use	5 Years	5 Years
Plant and equipment	2-5 years	2-5 years

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

Note 1 Summary of significant accounting policies (continued)

1.15 Land, buildings, plant and equipment (continued)

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.16 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

1.17 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

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 2023

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.

	2023 $	2022 $
Type of customer		
Members	629,189	545,781
Other reporting units	110,381	112,866
Total revenue from contracts with customers	**739,570**	**658,647**

Note 3A: Other revenue from another reporting unit

Reporting unit's		
National Electrical and Communications Association - New South Wales Branch		
Insurance commission	17,181	9,666
Related parties		
ECA Training Pty Ltd		
Other income	43,200	43,200
NECA Legal Pty Ltd		
Australian Cabler Registration Service Pty Ltd		
Sponsorship income	50,000	25,000
Directors fee	-	35,000
Total other revenue from other reporting unit	**110,381**	**112,866**

Note 3B: Investment income

Interest		
Deposits	232	6
Total investment income	**232**	**6**

Note 3C: Other income

Fuel scheme income	1,928	1,150
Insurance commission	-	27,861
Events and conferences		
Conferences	-	7,900
Excellence awards - ticket sales	28,055	18,215
Sponsorship income	150,029	107,394
Roadshow income	-	484
Other events	(147)	114,994
Other income	3,250	-
Total other income	**183,115**	**277,998**

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

	2023 $	2022 $
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Total employee expenses holders of office	**-**	**-**
Employees other than office holders:		
Wages and salaries	196,356	213,649
Superannuation	18,824	20,533
Leave and other entitlements	3,858	1,079
Separation and redundancies	-	-
Other employee expenses	18,279	19,474
Total employee expenses employees other than office holders	**237,317**	**254,735**
Total employee expenses	**237,317**	**254,735**
Note 4B: Capitation fees and other expense to another reporting unit		
Capitation fees		
National Electrical and Communications Association - National Office	97,543	30,798
Subtotal capitation fees	**97,543**	**30,798**
Other expense to another reporting unit		
National Electrical and Communications Association - New South Wales Branch		
Management fee expense	127,126	122,160
National Electrical and Communications Association - National Office		
Other expenses	157,824	53,518
Related parties		
NECA Trade Services Pty Ltd		
Other expenses	174	2,805
NECA Legal Pty Ltd		
Other expenses	-	12,223
ECA Training Pty Ltd		
Other expenses	50,325	46,962
Total other expense to another reporting unit	**335,449**	**237,668**
Total capitation fees and other expense to another reporting unit	**432,992**	**268,466**
Note 4C: Affiliation and subscription fees		
Subscriptions	-	1,754
Total affiliation fees and subscriptions	**-**	**1,754**
Note 4D: Administration expenses		
Conference and meeting expenses	98,709	32,293
Property expenses	450	20
Office expenses	1,070	2,082
Information communications technology	1,535	1,149
Computer expenses	14,337	7,736
Travel and accommodation expenses	33,417	26,253
Motor vehicle expenses	8,877	6,198
Other	4,520	2,766
Subtotal administration expense	**162,915**	**78,497**

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

	2023 $	2022 $
Note 4D: Administration expenses (continued)		
Leases		
Short-term lease payments	-	-
Total administration expenses	**162,915**	**78,497**
Note 4E: Depreciation		
Property, plant and equipment	8,793	8,271
Total depreciation	**8,793**	**8,271**
Note 4F: Other expenses		
Insurance	7,468	10,221
Bad debts	1,742	-
Other expenses	24,590	12,302
Total other expenses	**33,800**	**22,523**
Note 5 Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	448,906	463,509
Total cash and cash equivalents	**448,906**	**463,509**
Note 5B: Trade and other receivables		
Receivables from other reporting units		
National Electrical and Communications Association - National Office	-	5,500
Receivables from related parties		
ECA Training Pty Ltd	-	2,174
NECA Electrical Apprenticeships	17,454	-
Australian Cabler Registration Service Pty Ltd	4,583	-
Total receivables from other reporting units	**22,037**	**7,674**
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting units (net)	**22,037**	**7,674**
Other receivables:		
Trade receivables	65,952	50,726
Other receivables	-	-
Total other receivables	**65,952**	**50,726**
Less allowance for expected credit losses	(5,045)	(5,967)
Total allowance for expected credit losses	**(5,045)**	**(5,967)**
Other receivables (net)	**60,907**	**44,759**
Total trade and other receivables (net)	**82,944**	**52,433**

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

	2023 $	2022 $
Balance at beginning of year	**(5,967)**	**(10,000)**
Reversal of unused provision recognised in the Statement of Comprehensive income	922	4,033
Balance at end of year	**(5,045)**	**(5,967)**

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

	2023 $	2022 $
Note 5 Current assets (continued)		
Note 5C: Prepayments		
Prepayments - general	10,747	305
Prepayments - event costs	44,652	41,540
Total other current assets	**55,399**	**41,845**
Note 6 Non-current assets		
Note 6A: Plant and equipment		
Plant and equipment		
Plant and equipment at cost	48,096	46,324
Less accumulated depreciation	(38,867)	(30,074)
Total plant and equipment	**9,229**	**16,250**

Reconciliations of the carrying amounts of each class of asset

	2023 $	2022 $
Balance at 1 July	**16,250**	**24,521**
Additions	1,772	-
Disposals	-	-
Depreciation	(8,793)	(8,271)
Balance at 30 June	**9,229**	**16,250**

	2023 $	2022 $
Note 7 Current liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	24,497	11,524
Total trade creditors	**24,497**	**11,524**
Payables to other reporting units		
National Electrical and Communications Association - National Office	71,561	21,550
National Electrical and Communications Association - New South Wales Branch	23,701	60,332
Payables to related parties		
ECA Training Pty Ltd	-	4,999
NECA Legal Pty Ltd	7,740	2,591
NECA Trade Services Pty Ltd	-	-
Total payables to other reporting units	**103,002**	**89,472**
Total trade payables	**127,499**	**100,996**

Settlement is usually made within 30 days.

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

	2023 $	2022 $
Note 7B: Other payables		
Wages and salaries	21,127	13,745
Superannuation	2,393	1,821
GST payable	3,113	6,801
Other payables	4,965	1,450
Total other payables	**31,598**	**23,817**
Total other payables are expected to be settled in:		
No more than 12 months	159,097	124,813
More than 12 months	-	-
Total other payables	**159,097**	**124,813**
Note 7C: Contract liabilities		
Current		
Income in advance	98,689	127,419
Total contract liabilities	**98,689**	**127,419**
Note 8 Other liabilities		
Note 8A: Employee provisions		
Employees other than office holders:		
Annual leave	10,434	7,938
Long service leave	2,768	1,408
Total employee provisions - employees other than office holders	**13,202**	**9,346**
Total employee provisions	**13,202**	**9,346**
Current	10,434	7,938
Non Current	2,768	1,408
Total employee provisions	**13,202**	**9,346**

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

Note 9 Cash flow
Note 9A: Cash flow reconciliation

	2023 $	2022 $
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	448,906	463,509
Balance sheet	448,906	463,509
Difference	-	-
Reconciliation of profit to net cash from operating activities:		
Profit for the year	13,031	193,334
Adjustments for non-cash items		
Depreciation/amortisation	8,793	8,271
Changes in assets / liabilities		
(Increase)/decrease in net receivables	(30,511)	144,670
(Increase)/decrease in prepayments	(13,554)	(17,260)
Increase/(decrease) in trade payables	26,503	18,173
Increase/(decrease) in other payables	7,781	5,031
Increase/(decrease) in contract liabilities	(28,730)	(101,599)
Increase/(decrease) in employee provisions	3,856	1,078
Net cash from operating activities	**(12,831)**	**251,698**

Note 9B: Cash flow Information

	2023	2022
Cash inflows from operations		
Other reporting units		
National Electrical and Communications Association - National Office	66,000	77,990
National Electrical and Communications Association - New South Wales Branch	-	54,827
National Electrical and Communications Association - South Australia/Northern Territory Branch	-	4,785
Related parties		
ECA Training Pty Ltd	5,481	-
NECA Legal Pty Ltd	-	16,500
Australian Cabler Registration Service Pty Ltd	50,417	99,000
Total cash inflows	**121,898**	**253,102**
Cash outflows		
Other reporting units		
National Electrical and Communications Association - National Office	292,982	135,352
National Electrical and Communications Association - New South Wales Branch	371,825	264,412
National Electrical and Communications Association - Western Australian Branch	499	2,601
Related parties		
ECA Training Pty Ltd	43,863	10,446
NECA Trade Services Pty Ltd	191	3,666
NECA Legal Pty Ltd	21,900	13,207
Total cash outflows	**731,260**	**429,684**

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

Note 10 Contingent liabilities, assets and commitments
There are no material financial contingencies to report at balance date.

Note 11 Related party disclosures
Note 11A: 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 (2022: Nil).

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

	2023 $	2022 $
Revenue received from:		
Other reporting units		
Refer to Note 3A: Other revenue from another reporting unit	110,381	112,866
Expenses paid to:		
Other reporting units		
Refer to Note 4B: Capitation fees and other expense to another reporting unit	432,992	268,466
Amounts owed by		
Other reporting units		
Refer to Note 5B: Trade and Other Receivables	22,037	7,674
Amounts owed to		
Other reporting units		
Refer to Note 7A: Trade payables	103,002	89,472

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 2023, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: $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.

Note 11B: Key management personnel remuneration for the reporting period

There were no transactions with key management personnel in the current period (2022: $nil).

Note 11C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

The Branch has not provided or received any loans with key management personnel (2022: $nil)

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.

Note 12 Remuneration of auditors

Value of the services provided		
Financial statement audit services	4,300	3,000
Other services	2,200	2,200
Total remuneration of auditors	**6,500**	**5,200**

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

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

Note 13 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	2023 $	2022 $
Note 13A: Categories of financial instruments			
Financial Assets at amortised cost			
Cash and cash equivalents	5A	448,906	463,509
Trade and other receivables	5B	82,944	52,433
Total financial Assets at amortised cost		**531,850**	**515,942**
Financial liabilities at amortised cost			
Trade payables	7A	127,499	100,996
Other payables	7B	31,598	23,817
Contract liabilities	7C	98,689	127,419
Total financial liabilities at amortised cost		**257,786**	**252,232**

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.

Note 13 Financial instruments (continued)

Note 13B: Net income and expense from financial assets

	Note	2023 $	2022 $
Amortised cost			
Interest revenue	3B	232	6
Net income and expense from financial assets		**232**	**6**

Note 13C: 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.

	2023 $	2022 $
Financial assets		
Trade receivables	87,989	58,400
Total financial assets	**87,989**	**58,400**

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

Note 13 Financial instruments (continued)
Note 13C: Credit risk

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

30 June 2023	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%	5.00%	6.00%	12.37%	12.95%	
Estimate total gross carrying amount at default	-	77,699	1,840	7,647	803	**87,989**
Expected credit loss	-	3,885	110	946	104	**5,045**

30 June 2022	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%	0.76%	20.02%	15.16%	80.00%	
Estimate total gross carrying amount at default	-	49,646	2,023	310	6,421	**58,400**
Expected credit loss	-	378	405	47	5,137	**5,967**

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 2022 is the carrying amounts as illustrated in Note 13C.

Note 13D: 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 2023

Note 13 Financial instruments (continued)
Note 13D: Liquidity risk (continued)

Contractual maturities for financial liabilities 2023

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	159,097	-	-	-	159,097
Contract liabilities		98,689	-	-	-	98,689
Total	-	257,786	-	-	-	257,786

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	-	124,813	-	-	-	124,813
Contract liabilities	-	127,419	-	-	-	127,419
Total	-	252,232	-	-	-	252,232

Note 13E: 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 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 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.

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

Note 13 Financial instruments (continued)
Note 13E: Market risk (continued)

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.

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%	8,978	8,978
Interest rate risk	-2%	(8,978)	(8,978)

Sensitivity analysis of the risk that the entity is exposed to for 2022

	Change in risk variable	Effect on	
		Profit	Equity
	%	$	$
Interest rate risk	2%	9,270	9,270
Interest rate risk	-2%	(9,270)	(9,270)

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 2023 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 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 the Branch's financial assets and liabilities:

	Note	Carrying amount 2023 $	Fair value 2023 $	Carrying amount 2022 $	Fair value 2022 $
Financial assets					
Cash and cash equivalents	5A	448,906	448,906	463,509	463,509
Trade and other receivables	5B	82,944	82,944	52,433	52,433
Total		**531,850**	**531,850**	**515,942**	**515,942**
Financial liabilities					
Trade and other payables		159,097	159,097	124,813	124,813
Contract liabilities	7C	98,689	98,689	127,419	127,419
Total		**257,786**	**257,786**	**252,232**	**252,232**

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

Note 14 Association Details

The principal place of business of the Branch is:

National Electrical and Communications Association Queensland Branch
Suite 1.5 Ian Barclay Building, 460-492 Beaudesert Road
Salisbury QLD 4107

Note 15 Administration of financial affairs by a third party

Name of entity providing service:
ECA Training Pty Ltd

Terms and conditions:
ECA Training Pty Ltd provides bookkeeping and accounting services to NECA QLD for which it will charge a fee of $4,194 per month (2022: $3,914 per month).

Nature of expenses/consultancy service:
Administration, Financial and Membership Services

Detailed breakdown of expenses incurred

	2023 $	2022 $
Expenses		
NECA NSW - Member services	127,126	122,160
ECA Training - Financial services	50,325	46,962
NECA National - Administration services	157,824	51,234
Total expenses	335,275	220,356

Note 16 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 Chief Executive Officer of the National Electrical and Communications Association Queensland Branch ("**the Branch**") declare that the following activities did not occur during the reporting period ending 30 June 2023.

The Branch did not:

• 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)
• agree to receive financial support from 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 donations or grants
• receive revenue from undertaking recovery of wages activity
• pay affiliation fees to other entity
• 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 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 a penalty imposed under the RO Act or the *Fair Work Act 2009*
• 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 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

Signature of designated officer

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Name of designated officer OLIVER JUDD
CHIEF EXECUTIVE OFFICER

Dated: 31/10/2023