



Electrical Contractors Association of New South Wales

ABN 41 898 163 731

Financial Statements For the Year Ended 30 June 2020

Annual Financial Statements
For the year ended 30 June 2020

Contents

Independent Audit Report	3
Operating Report	6
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to and Forming Part of the Financial Statements	12
Directors Declaration	23

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

Opinion

We have audited the financial statements, being general purpose financial statements of Electrical Contractors Association of New South Wales (the Association), which comprises the statement of financial position as at 30 June 2020, 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 presents fairly, in all material aspects, the financial position of Electrical Contractors Association of New South Wales as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards.

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 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.

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 the Crowe Australasia external audit division. 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.

© 2020 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 Directors' Report for the year ended 30 June 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 Statements

Management is responsible for the preparation of the financial statements that gives a true and fair view in accordance with Australian Accounting and for such internal control as management determines is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association'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 management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the financial statements.

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 statements, 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 statements 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 statements, including the disclosures, and whether the financial statements represent 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



Suwarti Asmono
Partner

Sydney New South Wales

Date: 21 October 2020

Operating Report

For the year ended 30 June 2020

The Committee of Management presents its report on the Electrical Contractors Association of New South Wales ("ECA NSW") for the financial year ended 30th June 2020.

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

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

Significant events

No significant events occurred relating to ECA NSW during the year.

After balance date events

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, ECA NSW is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of ECA NSW. 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 ECA NSW, the results of those operations, or the state of affairs of ECA NSW in subsequent financial periods.

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 2020 there were 1,794 (2019:1,748) members of the National Electrical and Contractors Association New South Wales Branch.

Number of employees

ECA NSW had no full time equivalent (2019: 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

Name	Position	Position held because they are an officer/member of NECA or were nominated by NECA?
Reg Young	Director of NESS Super Pty Ltd	Yes
Tony Glossop	Director of NESS Super Pty Ltd (resigned 12 December 2019)	Yes
Chris Madson	Director of NESS Super Pty Ltd (appointed 12 December 2019)	Yes
Chris Madson	Alternate Director of NESS Super Pty Ltd (1 July 2019 - 11 December 2019)	Yes

Operating Report (continued)
For the year ended 30 June 2020

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

Name	Position	Period
Stephen Kerfoot	President	1 July 2019 - 30 June 2020
David Orr	Vice President	1 July 2019 - 30 June 2020
Chris Madson	Treasurer	1 July 2019 - 30 June 2020
Bruce Duff	Committee Member	1 July 2019 - 30 June 2020
Jeffrey Brown	Committee Member	1 July 2019 - 30 June 2020
Sam Turnbull	Committee Member	1 July 2019 - 30 June 2020
Peter Murray	Committee Member	1 July 2019 - 3 March 2020 (resigned)
Lea Hicks	Committee Member	1 July 2019 - 30 June 2020
Oliver Judd	Secretary	1 July 2019 - 30 June 2020

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: 21/10/2020

Signature of prescribed designated officer



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

Dated: 21/10/2020

Statement of Comprehensive Income
For the year ended 30 June 2020

	2020	2019
Note	\$	\$
Revenue from contracts with customers		
Other revenue	3,000	3,000
Total revenue from contracts with customers	3,000	3,000
Total revenue and other income	3,000	3,000
Expenses		
Administration expenses	(119)	(121)
Audit fees	(3,300)	(2,222)
Total expenses	(3,419)	(2,343)
(loss)/Profit for the year	(419)	657
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss	-	-
Items that may be subsequently reclassified to profit or loss	-	-
Total other comprehensive income	-	-
Total comprehensive profit / (loss) income for the year	(419)	657

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

Statement of Financial Position
As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	5,942	3,061
Total current assets		5,942	3,061
Total assets		5,942	3,061
LIABILITIES			
Current liabilities			
Trade payables	6	5,500	2,200
Total current liabilities		5,500	2,200
Total liabilities		5,500	2,200
Net assets		442	861
EQUITY			
Retained earnings		442	861
Total equity		442	861

Statement of Changes in Equity
For the year ended 30 June 2020

	Retained earnings	Total equity
	\$	\$
Balance as at 1 July 2018	204	204
Profit for the year	657	657
Other comprehensive income for the year	-	-
Closing balance as at 30 June 2019	861	861
Balance at 1 July 2019	861	861
(Loss) for the year	(419)	(419)
Other comprehensive income for the year	-	-
Closing balance as at 30 June 2020	442	442

Statement of Cash Flows
For the year ended 30 June 2020

OPERATING ACTIVITIES

Cash received

Receipts from customers

Cash used

Payments to suppliers

Net cash from operating activities

Net increase in cash held

Cash & cash equivalents at the beginning of the reporting period

Cash & cash equivalents at the end of the reporting period

Note	2020	2019
	\$	\$
	3,000	3,000
	(119)	(2,343)
7	2,881	657
	2,881	657
	3,061	2,404
5	5,942	3,061

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue and Income
Note 4	Administration expenses
Note 5	Cash and cash equivalents
Note 6	Trade payables
Note 7	Cash flow
Note 8	Remuneration of auditors
Note 9	Contingent liabilities, assets and commitments
Note 10	Related party disclosures
Note 11	Financial instruments
Note 12	Association Details

Notes to the Financial Statements
For the year ended 30 June 2020

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. For the purpose of preparing the general purpose financial statements, Electrical Contractors Association of New South Wales ("ECA NSW") is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

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

Coronavirus (COVID-19) pandemic

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

1.4 New Australian accounting standards

Adoption of New Australian Accounting Standard requirements

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

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

Note 1 Summary of significant accounting policies (continued)

1.4 New Australian accounting standards (continued)

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to ECA NSW. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The ECA NSW adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, ECA NSW recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, ECA NSW has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 had no impact on ECA NSW's financial statements. No adjustments were required. Comparative information has not been restated.

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

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on ECA NSW include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

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 2020

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 upon receipt:

- grants.

1.7 Cash

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

1.8 Financial instruments

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

1.9 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).

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 ECA NSW's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, ECA NSW 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.

ECA NSW'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.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 1 Summary of significant accounting policies (continued)

1.9 Financial assets (continued)

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 ECA NSW 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

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:
 - 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.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 1 Summary of significant accounting policies (continued)

1.9 Financial assets (continued)

(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.

1.10 Financial liabilities

Initial recognition and measurement

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

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

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.

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.

1.11 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before 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).

1.12 Contingent liabilities and contingent assets

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

Notes to the Financial Statements
For the year ended 30 June 2020

Note 1 Summary of significant accounting policies (continued)

1.13 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

1.14 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

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, ECA NSW is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of ECA NSW. 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 ECA NSW, the results of those operations, or the state of affairs of ECA NSW in subsequent financial periods

Notes to the Financial Statements
For the year ended 30 June 2020

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:

	2020 \$	2019 \$
Income funding sources		
Related parties	3,000	3,000
Total income for furthering activities	3,000	3,000

Note 3A: Revenue

Other revenue	3,000	3,000
Total revenue	3,000	3,000

Note 4: Administration expenses

Bank fees	119	121
Total administration expense	119	121

Note 5: Cash and cash equivalents

Cash at bank	5,942	3,061
Total cash and cash equivalents	5,942	3,061

Note 6: Trade payables

Trade creditors and accruals	5,500	2,200
Subtotal trade creditors	5,500	2,200

Note 7 Cash flow

Note 7A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

Cash and cash equivalents as per:

Cash flow statement	5,942	3,061
Balance sheet	5,942	3,061
Difference	-	-

Reconciliation of profit/(deficit) to net cash from operating activities:

(Deficit)/profit for the year	(419)	657
Adjustments for non-cash items		
Changes in assets/liabilities		
Increase in trade payables	3,300	-
Net cash from operating activities	2,881	657

Note 8 Remuneration of auditors

Value of the services provided

Financial statement audit services	1,650	2,222
Other services	1,650	-
Total remuneration of auditors	3,300	2,222

The auditor is Crowe Audit Australia (2019: Moore Stephens NSW). The fees are stated net of GST.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 9 Contingent liabilities, assets and commitments

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

Note 10 Related party disclosure

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 \$3,000 (2019: \$3,000) from National Electrical and Communications Association New South Wales Branch a related entities 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.

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	2020 \$	2019 \$
5	5,942	3,061
	5,942	3,061
6	5,500	2,200
	5,500	2,200

Note 11A: Categories of financial instruments

Financial Assets at amortised cost

Cash and cash equivalents

Total financial Assets at amortised cost

Financial liabilities at amortised cost

Trade payables

Total financial liabilities at amortised cost

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.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 11 Financial instruments (continued)

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.

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 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	5,500	-	-	-	5,500
Total	-	5,500	-	-	-	5,500

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	2,200	-	-	-	2,200
Total	-	2,200	-	-	-	2,200

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 2020 and 2019. 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.

Notes to the Financial Statements
For the year ended 30 June 2020

Note 11 Financial instruments (continued)

Note 11C: Market risk (continued)

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.

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

	Change in risk variable %	Effect on	
		Profit \$	Equity \$
Interest rate risk	2%	119	119
Interest rate risk	-2%	(119)	(119)

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Change in risk variable %	Effect on	
		Profit \$	Equity \$
Interest rate risk	2%	61	61
Interest rate risk	-2%	(61)	(61)

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 2020 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 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Financial assets					
Cash and cash equivalents	Note 5	5,942	5,942	3,061	3,061
Total		5,942	5,942	3,061	3,061
Financial liabilities					
Trade and other payables	Note 6	5,500	5,500	2,200	2,200
Total		5,500	5,500	2,200	2,200

Note 12 Association Details

The principal place of business of the Branch is:

Electrical Contractors Association of New South Wales
122 Hume Highway
Chullora NSW 2190

Directors' Declaration
For the year ended 30 June 2020

In the officers' opinion:

- the attached financial statements and notes comply with the Accounting Standards 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 financial position as at 30 June 2020 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; and

On behalf of the officers.

Signature of prescribed designated officer



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

Dated: 21/10/2020

Signature of prescribed designated officer



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

Dated: 21/10/2020