



Electrical Contractors Association of New South Wales

ABN 41 898 163 731

Financial Statements For the Year Ended 30 June 2022

Annual Financial Statements
For the year ended 30 June 2022

Contents

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

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

Opinion

We have audited the financial report of Electrical Contractors Association of New South Wales (the Association) which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Association's financial position as at 30 June 2022 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

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

© 2022 Findex (Aust) Pty Ltd

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Association's Operating Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Management and the Directors for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe Audit Australia

Crowe Audit Australia



Suwarti Asmono
Partner

31 October 2022
Sydney

Operating Report
For the year ended 30 June 2022

The Committee of Management presents its report on the Electrical Contractors Association of New South Wales ("ECA NSW") for the financial year ended 30th of June 2022.

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 2022 there were 2,174 (2021:2,009) members of the National Electrical and Communications Association New South Wales Branch.

Number of employees

ECA NSW had no full time equivalent (2021: 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?
Chris Madson	Director of NESS Super Pty Ltd	Yes
John Williams	Director of NESS Super Pty Ltd	Yes
Ian Millner	Alternate Director of NESS Super Pty Ltd (appointed 24 June 2022)	Yes
Bruce Duff	Alternate Director of NESS Super Pty Ltd (resigned on 23 August 2021)	Yes

Operating Report (continued)
For the year ended 30 June 2022

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

Name	Position	Period
Stephen Kerfoot	President	1 July 2021 - 30 June 2022
David Orr	Vice President	1 July 2021 - 30 June 2022
Chris Madson	Treasurer	1 July 2021 - 30 June 2022
Bruce Duff	Committee Member	1 July 2021 - 30 June 2022
Jeffrey Brown	Committee Member	1 July 2021 - 30 June 2022
Sam Turnbull	Committee Member	1 July 2021 - 30 June 2022
Lea Hicks	Committee Member	1 July 2021 - 30 June 2022
Anthony Cambridge	Committee Member	1 July 2021 - 30 June 2022
Oliver Judd	Secretary	1 July 2021 - 30 June 2022

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

Signature of prescribed designated officer



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

Dated: 31 October 2022

Signature of prescribed designated officer



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

Dated: 31 October 2022

Statement of Comprehensive Income
For the year ended 30 June 2022

	2022	2021
Note	\$	\$
Revenue from contracts with customers		
Other revenue	3,500	3,300
Total revenue from contracts with customers	3,500	3,300
Total revenue and other income	3,500	3,300
Expenses		
Administration expenses	(120)	(121)
Audit fees	(3,300)	(3,300)
Total expenses	(3,420)	(3,421)
Profit / (loss) for the year	80	(121)
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 income / (loss) for the year	80	(121)

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

Statement of Financial Position
As At 30 June 2022

	2022	2021
Note	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	3,701	3,621
Total current assets	3,701	3,621
Total assets	3,701	3,621
LIABILITIES		
Current liabilities		
Trade payables	3,300	3,300
Total current liabilities	3,300	3,300
Total liabilities	3,300	3,300
Net assets	401	321
EQUITY		
Retained earnings	401	321
Total equity	401	321

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 2022

	Retained earnings	Total equity
	\$	\$
Balance at 1 July 2020	442	442
Loss for the year	(121)	(121)
Other comprehensive income for the year	-	-
Closing balance as at 30 June 2021	321	321
Balance at 1 July 2021	321	321
Profit for the year	80	80
Other comprehensive income for the year	-	-
Closing balance as at 30 June 2022	401	401

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 2022

	2022	2021
Note	\$	\$
OPERATING ACTIVITIES		
Cash received		
Receipts from customers	3,500	3,300
Cash used		
Payments to suppliers	(3,420)	(5,621)
Net cash generated by / (used in) operating activities	80	(2,321)
Net increase / (decrease) in cash held	80	(2,321)
Cash & cash equivalents at the beginning of the reporting period	3,621	5,942
Cash & cash equivalents at the end of the reporting period	3,701	3,621

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

Annual Financial Statements
For the year ended 30 June 2022

Index to the Notes of the Financial Statements

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

Notes to the Financial Statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and associated regulations, as appropriate for not-for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates. 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 or amended Australian Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of ECA NSW.

The following Accounting Standards and Interpretations are most relevant to the entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The entity has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the entity's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in the financial statements for key management personnel and related parties.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.4 New or amended Australian Accounting Standards and Interpretations adopted (continued)

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

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

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.

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

Consideration is received by ECA NSW to enable the entity to further its objectives. ECA NSW recognises each of these amounts of consideration as income when the consideration is received (which is when the ECA NSW obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- ECA NSW recognition of the cash contribution does not give to any related liabilities.

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

- bookkeeping service.

1.7 Cash and cash equivalents

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

1.8 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).

Notes to the Financial Statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.9 Financial assets (continued)

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.

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:

**Notes to the Financial Statements
For the year ended 30 June 2022**

Note 1 Summary of significant accounting policies (continued)

1.9 Financial assets (continued)

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

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

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

Offsetting

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

Impairment

Expected credit losses

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

(i) Trade receivables

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

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

1.10 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.

**Notes to the Financial Statements
For the year ended 30 June 2022**

Note 1 Summary of significant accounting policies (continued)

1.10 Financial liabilities (continued)

Derecognition

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

1.11 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.

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 2022**

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:

	2022 \$	2021 \$
Income funding sources		
Related parties	3,500	3,300
Total income for furthering activities	3,500	3,300

Note 3A Revenue

Other revenue	3,500	3,300
Total revenue	3,500	3,300

Note 4 Administration expenses

Bank fees	120	121
Total administration expense	120	121

Note 5 Cash and cash equivalents

Cash at bank	3,701	3,621
Total cash and cash equivalents	3,701	3,621

Note 6 Trade payables

Trade creditors and accruals	3,300	3,300
Subtotal trade creditors	3,300	3,300

Note 7 Cash flow reconciliation

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

Profit / (loss) for the year	80	(121)
Adjustments for non-cash items	-	-
Changes in assets / liabilities		
Decrease in trade payables	-	(2,200)
Net cash from operating activities	80	(2,321)

Note 8 Remuneration of auditors

Value of the services provided

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

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

Notes to the Financial Statements
For the year ended 30 June 2022

Note 9 Contingent liabilities, assets and commitments

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

Note 10 Related party disclosures

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

During the year ECA NSW received revenue of \$3,500 (2021: \$3,300) from National Electrical and Communications Association New South Wales Branch, a related entity, on normal commercial terms and conditions.

Note 11 Financial instruments

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

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

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 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

Note	2022 \$	2021 \$
5	3,701	3,621
	3,701	3,621
6	3,300	3,300
	3,300	3,300

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 2022

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 2022

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

Contractual maturities for financial liabilities 2021

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

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 2022 and 2021. 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 2022

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 2022:

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

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

	Change in risk variable %	Effect on	
		Profit \$	Equity \$
Interest rate risk	2%	72	72
Interest rate risk	-2%	(72)	(72)

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 2022 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 2022 \$	Fair value 2022 \$	Carrying amount 2021 \$	Fair value 2021 \$
Financial assets					
Cash and cash equivalents	Note 5	3,701	3,701	3,621	3,621
Total		3,701	3,701	3,621	3,621
Financial liabilities					
Trade and other payables	6	3,300	3,300	3,300	3,300
Total		3,300	3,300	3,300	3,300

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Association details

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

Directors' Declaration
For the year ended 30 June 2022

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 2022 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 the designated officer OLIVER JUDD
Title of the designated officer SECRETARY

Dated: 31 October 2022

Signature of prescribed designated officer



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

Dated: 31 October 2022