13 December 2022

Mr Dean Spicer
President
National Electrical and Communications Association-Victorian Branch

By e-mail: necavic@neca.asn.au

Dear Mr Spicer

National Electrical and Communications Association-Victorian Branch
Financial Report for the year ended 30 June 2022 - FR2022/28

I acknowledge receipt of the financial report for the year ended 30 June 2022 for the National Electrical and Communications Association-Victorian Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 1 December 2022.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act)** have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

K.Morgan

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

national electrical and communications association

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

FOR THE YEAR ENDED 30 JUNE 2022

I, Dean Spicer, being the President of the National Electrical and Communication Association Victoria Branch ("the Branch") certify:

- that the documents lodged herewith are copies of the full report for the National Electrical and Communication Association Victorian Branch for the period ended 30 June 2022 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the Branch on 26/10/2022 ; and
- that the full report was presented to a general meeting of members of the Branch on 16/11/2022 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signed in accordance with a resolution of the Members of the Committee:

DEAN SPICER

Dated: 18th November 2022

NECA Victoria Branch (ABN: 38 881 083 819)

Level 12
222 Kings Way
South Melbourne VIC 3205

T +61 3 9645 5533
F +61 3 9645 5544
E necavic@neca.asn.au
W www.neca.asn.au

national
electrical and
communications
association

National Electrical and Communications Association Victoria Branch

ABN 38 881 083 819

Financial Statements For the Year Ended 30 June 2022

Annual Financial Statements
For the year ended 30 June 2022

Contents

Independent Auditor Report to the Members of National Electrical and Communications Association Victoria Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Electrical and Communications Association Victoria Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022, 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 Victoria Branch as at 30 June 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards – *Simplified Disclosures*; 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 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 committee of management 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 objective is 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 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 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 committee of management's 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 our audit.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act, we have nothing to report.

Crowe Audit Australia

CROWE AUDIT AUSTRALIA

CGravenall

Cassandra Gravenall
Partner

Dated this 24th day of October 2022, at Geelong.

Registration number (as registered by the Commissioner under the RO Act): AA2017/234

Report required under subsection 255(2A)
For the year ended 30 June 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 30 June 2022.

	2022	2021
Categories of expenditure	**$**	$
Remuneration and other employment-related costs and expenses – employees	**1,768,376**	2,268,467
Advertising	**39,932**	32,080
Operating costs	**1,865,681**	1,479,831
Grants/Donations	**1,737,250**	1,500,181
Donations to political parties	**-**	-
Legal costs	**54,986**	169,962

Signature of prescribed designated officer

Name of prescribed designated officer DEAN SPICER
Title of prescribed designated officer PRESIDENT

Dated: Oct 21, 2022

Operating Report
For the year ended 30 June 2022

The Committee presents its report on the National Electrical and Communications Association Victoria ("the **Branch**") for the financial year ended 30th June 2022.

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

NECA Victoria continues its journey of strategic transformation of its business. The Council and the Leadership Team have delivered many business improvements, particularly in the information and data space that has culminated in a continuing improvement of our member experience. Importantly, 2021-2022 has also concluded positively from a financial perspective.

Council would like to acknowledge the entire NECA Victoria team for their hard work, resilience, dedication, and passion in servicing both Members as well as the entire Industry, particularly given the challenging & uncertain Covid and business environment. The team has achieved the strategic and operational objectives planned which has been the result of a continued focus on business culture and assignment ownership.

NECA Victoria's operational focus this year continued to build on the achievements of last year. Key focus areas operational perspective included:

- Industry leading membership retention
- Record membership levels
- Submission of several high impact advocacy submissions to Government, continuing to represent various segments and stakeholder groups.
- Continued progress and heightened interest in NECA Victoria's OHS system, based on the many improvements introduced over the last year
- Improvements and enhancements to member services, including:
    - new CRM and EMS platform providing an improved experience to members
    - delivery of a mentoring program in the solar space
    - strengthening of delivery capabilities across OHS, Technical and WR/HR.
- A very strong accounts receivables position, reflective of the commitment and high levels of ethics across our Membership base.
- Continued improvement in employee engagement scores, across a tremendous team and strong member focused culture
- Strong focus on continuous team upskilling through training in several areas

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

After balance date events
Since 30 June 2022, whilst there have not been any specific major developments that have impacted the operations of the Branch to the date of this report, the overall economic climate and ongoing repercussions of COVID-19, continue to create uncertainty for the business.

As the post pandemic economic recovery continues to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Branch, its operations, its future results, and financial position. The same is true for the implications of broader macro-economic conditions across domestic and international events on the business.

Despite these uncertainties, management are not aware of any significant events since the end of the reporting period which have significantly affected, or may significantly affect, the operations of the Branch the results of those operations, or the situation of the Branch in future financial years.

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

Right of members to resign
Members may resign from the Association 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 1,448 (2021: 1,165) members at financial year end.

Number of employees
The Branch had 12 full time equivalent (2021: 17 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
To the best of our knowledge and belief, no officer or member of the Branch, by virtue of their officer or membership of NECA, is:
(i) A trustee of a superannuation entity or an exempt public sector superannuation scheme; or
(ii) A director of a company that is a 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
Dean Spicer	President	1 July 2021 - 30 June 2022
David Pierce	Councillor & National Council member	1 July 2021 - 30 June 2022
Russell Chatfield	Vice President	1 July 2021 - 30 June 2022
Chris Hargreaves	Councillor & Secretary	1 July 2021 - 30 June 2022
Michael Purnell	Councillor& Treasurer	1 July 2021 - 30 June 2022
Stewart Joyce	Councillor & National Executive	1 July 2021 - 30 June 2022
Mark Falloon	Councillor& Treasurer	1 July 2021 - 30 June 2022
Chris Van DeKooi	Councillor	1 July 2021 - 30 June 2022
Rob Selymesi	Councillor	1 July 2021 - 30 June 2022

Post balance date Michael Purnell was appointed Treasurer on 26 August 2022, following the resignation as Treasurer of Mark Falloon on 11 August 2022.

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

Signed in accordance with a resolution of the Members of the Branch Council:

Michael Purnell (Oct 21, 2022 13:34 GMT+11)

DEAN SPICER
PRESEIDENT

MICHAEL PURNELL
TREASURER

Dated: Oct 21, 2022

Committee of management statement
For the year ended 30 June 2022

On ...14...../..10....../2022 the Committee of Management ("the **Council**") of the National Electrical and Communications Association Victoria Branch ("the **Branch**") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2022:

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 related entities, the financial records of the Branch have been kept, as far as practicable, in a consistent manner with each of the other related entities 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:

Michael Purnell (Oct 21, 2022 13:34 GMT+11)

DEAN SPICER
PRESIDENT

MICHAEL PURNELL
TREASURER

Dated: Oct 21, 2022

Statement of comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue from contracts with customers			
Membership subscription		**1,647,567**	1,595,372
Other revenue from another reporting unit and related entities	3A	**3,036,911**	1,046,333
Total revenue from contracts with customers		**4,684,478**	2,641,705
Income for furthering objectives			
Grants and/or donations	3B	**190,000**	406,890
Total income for furthering objectives		**190,000**	406,890
Other Income			
Net gains from sale of assets	3C	**-**	5,455
Investment income	3D	**(373,559)**	1,420,371
Other income	3E	**987,084**	1,058,344
Total other income for furthering objectives		**613,525**	2,484,170
Total revenue and other income		**5,488,003**	5,532,765
Expenses			
Employee expenses	4A	**1,768,376**	2,268,467
Capitation fees and other expense to another reporting unit	4B	**449,587**	396,173
Administration expenses	4C	**950,692**	794,366
Grants and/or donations	4D	**1,737,250**	1,500,181
Depreciation and amortisation	4E	**80,797**	88,382
Finance costs	4F	**7,491**	9,646
Legal costs	4G	**54,986**	169,962
Audit fees	13	**9,250**	15,750
Other expenses	4H	**407,796**	207,594
Total expenses		**5,466,225**	5,450,521
Profit/(loss) for the year		**21,778**	82,244
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		**-**	693,518
Total comprehensive income for the year		**21,778**	775,762

Statement Of Financial Position
As At 30 June 2022

	Note	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**476,083**	758,305
Trade and other receivables	5B	**1,233,151**	1,440,692
Financial assets	5C	**6,750,005**	8,784,069
Other current assets	5D	**19,097**	32,292
Total current assets		**8,478,336**	11,015,358
Non-Current Assets			
Property, plant, equipment and right of use	6A	**1,879,571**	1,907,251
Investments in Associates	6B	**10**	10
Total non-current assets		**1,879,581**	1,907,261
Total assets		**10,357,917**	12,922,619
LIABILITIES			
Current Liabilities			
Trade payables	7A	**1,139,108**	837,815
Other payables	7B	**215,834**	447,439
Employee provisions	8A	**163,685**	192,875
Lease liabilities	7D	**6,510**	19,816
Other current liabilities	7C	**579,073**	3,195,361
Total current liabilities		**2,104,210**	4,693,306
Non-Current Liabilities			
Employee provisions	8A	**32,486**	24,002
Lease liabilities	7D	**-**	5,868
Total non-current liabilities		**32,486**	29,870
Total liabilities		**2,136,696**	4,723,176
Net assets		**8,221,221**	8,199,443
EQUITY			
Reserves	9A	**1,987,680**	1,987,680
Retained earnings		**6,233,541**	6,211,763
Total equity		**8,221,221**	8,199,443

Statement of Changes in Equity
For the year ended 30 June 2022

	Note	Other funds	Asset revaluation reserve	Capital profits reserve	Retained earnings	Total equity
		$	$	$	$	$
Balance as at 1 July 2020		-	**713,862**	**580,300**	**6,129,519**	**7,423,681**
Profit/(Loss) for the year		-	-	-	82,244	82,244
Other comprehensive income for the year		-	693,518	-	-	693,518
Closing balance as at 30 June 2021		**-**	**1,407,380**	**580,300**	**6,211,763**	**8,199,443**
Balance at 1 July 2021		-	**1,407,380**	**580,300**	**6,211,763**	**8,199,443**
Profit/(Loss) for the year		-	-	-	**21,778**	**21,778**
Other comprehensive income for the year		-	-	-	-	-
Closing balance as at 30 June 2022		**-**	**1,407,380**	**580,300**	**6,233,541**	**8,221,221**

Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		**3,458,411**	3,535,518
Distributions - ElecNet Pty Ltd		**1,717,250**	-
Receipts from other reporting unit and related entities	10B	**678,336**	613,693
Interest		**505**	168
Cash used			
Payments to suppliers & employers		**(6,927,205)**	(14,663,387)
Payment to other related entities	10B	**(796,715)**	(496,255)
Interest payments and other finance costs		**(513)**	(1,189)
Net cash from/(used by) operating activities	10A	**(1,869,931)**	(11,011,452)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		**-**	5,455
Proceeds from sale of investments		**1,660,000**	11,320,182
Cash used			
Purchase of plant and equipment		**(53,117)**	(9,754)
Purchase of investments		**-**	(10)
Net cash from/(used by) investing activities		**1,606,883**	11,315,873
FINANCING ACTIVITIES			
Cash used			
Repayment of lease liabilities		**(19,174)**	(15,998)
Net cash from/(used by) financing activities		**(19,174)**	(15,998)
Net increase/(decrease) in cash held		**(282,222)**	288,423
Cash & cash equivalents at the beginning of the reporting period		**758,305**	469,882
Cash & cash equivalents at the end of the reporting period	5A	**476,083**	758,305

Index to the notes of the financial statements

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

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 Victoria Branch ("the Branch") is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

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

Coronavirus (COVID-19) pandemic

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

Allowance for expected credit losses

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

Estimation of useful lives of assets

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

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.

Fair value of land and buildings

Judgement has been exercised in considering the fair value of land and buildings in current year. The key estimates and judgements associated with this are detailed in Note 6A and Note 15.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.4 Adoption of New Australian Accounting Standards and amendments
The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

• International Financial Reporting Standards Interpretations Committee (IFRS IC) agenda decision on configuration or customisation costs in cloud computing or Software-as-a-Service (SaaS) arrangements
• AASB 2021-3 Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021

Neither had a material impact on the Branch. No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards
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 the Branch include:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
This Standard amends AASB 101 Presentation of Financial Statements 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 2023. Earlier application is permitted. The Branch does not expect the adoption of this amendment to have a material impact on its financial statements.

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

1.6 Current versus non-current classification
The Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
• expected to be realised or intended to be sold or consumed in the normal operating cycle;
• held primarily for the purpose of trading;
• expected to be realised within twelve months after the reporting period; or
• cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
• it is expected to be settled in the normal operating cycle;
• it is held primarily for the purpose of trading;
• it is due to be settled within twelve months after the reporting period; or
• there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Branch classifies all other liabilities as non-current.

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, grants, donations, promotional activities, commissions, distributions from related parties and interest. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.7 Revenue (continued)

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 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.

During the year, the Branch received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members;
- government grants and distributions from related parties.

Promotional activities income

Promotional activities revenue, which includes sponsorships, road shows, and other events, is recognised upon commencement of said activities.

Commission income

Commission on sales is recognised when the right to receive a commission has been established.

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.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.7 Revenue (continued)

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 Branch 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 Leases
The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Branch as a lessee
The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. the Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2022	2021
Motor vehicles	**1 to 3 years**	1 to 3 years

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Note 1 Summary of significant accounting policies (continued)

1.9 Leases (continued)

Lease liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the implicit the interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. the Branch has used the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Branch's short-term leases are those that have a lease term of 12 months or less from the commencement. The Branch has not applied the low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.10 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.11 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.

1.12 Financial instruments

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

1.13 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.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.13 Financial assets (continued)

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.

Financial assets at fair value through profit or loss (including designated)

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.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.13 Financial assets (continued)

Derecognition

A financial asset is derecognised when:

• the Branch 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

(i) 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.

(ii) 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.

(iii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

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

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.14 Financial Liabilities

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

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

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

Subsequent measurement
Financial liabilities at fair value through profit or loss (including designated)
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

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 effective interest rate method 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.

1.15 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.

1.16 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.

Revaluations—Land and Buildings
Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.16 Land, Buildings, Plant and Equipment (continued)

Revaluations—Land and Buildings (continued)
Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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:

	2022	2021
Buildings	2.5%	2.5%
Buildings Improvements	2.5%	2.5%
Motor Vehicles	25%	25%
Computer & Office Equipment	33.33%	33.33%
Plant & Equipment	7.5%	7.5%
Furniture & Fittings	7.5%	7.5%

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.

1.17 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

1.18 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.

Notes to the financial statements
For the year ended 30 June 2022

Note 1 Summary of significant accounting policies (continued)

1.18 Taxation (continued)

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

1.19 Fair value measurement

The Branch measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, NECA Victoria determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.20 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 Branch will be able to pay its debts as and when they become due and payable.

Notes to the financial statements
For the year ended 30 June 2022

Note 2 Events after the reporting period

Since 30 June 2022, whilst there have not been any specific major developments that have impacted the operations of the Branch to the date of this report, the overall economic climate and ongoing repercussions of COVID-19, continue to create uncertainty for the business.

As the post pandemic economic recovery continues to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Branch, its operations, its future results, and financial position. The same is true for the implications of broader macro-economic conditions across domestic and international events on the business.

Despite these uncertainties, management are not aware of any significant events since the end of the reporting period which have significantly affected, or may significantly affect, the operations of the Branch the results of those operations, or the situation of the Branch in future financial years.

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 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.

	2022 $	2021 $
Type of customer		
Members	**1,647,567**	1,595,372
Other reporting units and related entities	**3,036,911**	1,046,333
Government	**-**	-
Other parties	**-**	-
Total revenue from contracts with customers	**4,684,478**	2,641,705

Disaggregation of income for furthering activities

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 funding source:

	2022 $	2021 $
Income funding sources		
Members	**-**	-
Other reporting units and related entities	**-**	-
Government	**190,000**	406,890
Other parties	**-**	-
Total income for furthering activities	**190,000**	406,890

Note 3A: Other revenue from another reporting unit and related entities

	2022 $	2021 $
Other revenue from another reporting unit		
National Electrical and Communication Association - National Office		
- Redistribution	**25,200**	18,500
National Electrical and Communication Association - New South Wales Branch		
- IT support package	**-**	2,314
National Electrical and Communication Association - South Australian Branch		
- Other Income	**13,500**	2,003
National Electrical and Communication Association - Western Australian Branch		
- Other Income	**-**	105
Total other revenue from another reporting unit	**38,700**	22,922
Other revenue from related entities		
Commercial Services & Support - NECA Education & Careers	**466,527**	381,659
Commercial Services - Constructive Legal Solutions	**91,221**	140,000
Commission - Protect Services	**-**	266,088
Director Fees - NECA Education & Careers	**21,000**	21,000
Director Fees - ElecNet (Aust) Pty Ltd	**164,664**	164,664
Distributions - ElecNet (Aust) Pty Ltd	**1,717,250**	-
Distributions - VEID Trust	**537,549**	50,000
Total other revenue from related entities	**2,998,211**	1,023,411
Total other revenue from another reporting unit and related entities	**3,036,911**	1,046,333

Notes to the financial statements
For the year ended 30 June 2022

	2022 $	2021 $
Note 3 Revenue and Income (continued)		
Note 3B: Grants or donations		
Grants	**190,000**	406,890
Donations	**-**	-
Total grants or donations	**190,000**	406,890
Note 3C: Net gains from sale of assets		
Plant and equipment	**-**	5,455
Total net gain from sale of assets	**-**	5,455
Note 3D: Investment income		
Interest - Bank	**60**	168
Interest - Financial assets	**108,534**	461,837
Fair value movement of financial assets	**(512,445)**	698,058
Realised gain from sale of financial assets	**30,292**	260,308
Total investment income	**(373,559)**	1,420,371
Note 3E: Other income		
Fee for services	**126,747**	60,528
Events and conferences	**321,367**	387,011
Commissions	**165,742**	130,068
Other	**373,228**	480,737
Total revenue from other income	**987,084**	1,058,344
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	**-**	-
Superannuation	**-**	-
Leave and other entitlements	**-**	-
Separation and redundancies	**-**	-
Subtotal employee expenses holders of office	**-**	-
Employees other than office holders:		
Employee Expenses	**1,371,755**	1,789,457
Superannuation	**142,515**	175,169
Leave and other entitlements	**56,301**	87,190
Seperation and redundancies	**48,977**	36,651
Other Employee Expenses	**148,828**	180,000
Subtotal employee expenses employees other than office holders	**1,768,376**	2,268,467
Total employee expenses	**1,768,376**	2,268,467

Notes to the financial statements
For the year ended 30 June 2022
Note 4 Expenses (continued)
Note 4B: Capitation fees and expense to another reporting unit

	2022 $	2021 $
Capitation fees		
National Electrical and Communication Association - National Office	**350,982**	317,696
Total capitation fees	**350,982**	317,696
Other expense to another reporting unit		
National Electrical and Communication Association - National Office		
- Information communications technology	**1,574**	4,079
- Marketing and advertising	**63,676**	15,600
- Insurance	**-**	10,533
- Professional legal fees	**-**	-
- Travel expenses	**-**	693
- Other expenses	**-**	38
National Electrical and Communication Association - New South Wales Branch		
- Information communications technology	**19,868**	32,056
- Marketing and advertising	**1,522**	5,478
National Electrical and Communication Association - South Australian Branch		
- NECA HSEQ	**10,000**	10,000
National Electrical and Communication Association - Western Australian Branch		
- Information communications technology	**1,965**	-
Subtotal other expense to another reporting unit	**98,605**	**78,477**
Total capitation fees and other expense to another reporting unit	**449,587**	**396,173**

Note 4C: Administration expenses

	2022 $	2021 $
Conference and meeting expenses	**213,660**	174,664
Contractors/consultants	**285,150**	98,406
Property expenses	**56,028**	53,699
Office Expenses	**61,302**	36,130
Advertising	**39,932**	32,080
Computer Expenses	**152,750**	205,615
Membership Communication	**61,238**	96,035
Motor Vehicle Expenses	**21,236**	14,598
Travel and Accomodation	**17,581**	21,195
Other	**41,815**	61,945
Subtotal administration expense	**950,692**	794,366
Operating lease rentals:		
Minimum lease payments	**-**	-
Total administration expenses	**950,692**	794,366

Note 4D: Grants or donations

	2022 $	2021 $
Grants:		
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**1,737,250**	1,500,181
Donations:		
Total expensed that exceeded $1,000	**-**	-
Total grants or donations	**1,737,250**	1,500,181

Grants of $1.7M were declared to the VEID Trust and NECA Foundation to contribute to the development and enrichment of the Electrotechnology Industry (2021: $1.5m).

Notes to the financial statements
For the year ended 30 June 2022

	2022 $	2021 $
Note 4 Expenses (continued)		
Note 4E: Depreciation and amortisation		
Depreciation		
Land and Buildings	**40,000**	25,180
Property, plant and equipment	**40,797**	63,202
	-	-
Total depreciation and amortisation	**80,797**	88,382

	2022 $	2021 $
Note 4F: Finance costs		
Bank Charges	**7,491**	9,646
Total finance costs	**7,491**	9,646

	2022 $	2021 $
Note 4G: Legal costs		
Other Legal Costs	**54,986**	169,962
Total legal costs	**54,986**	169,962

	2022 $	2021 $
Note 4H: Other expenses		
Other Expenses	**407,796**	207,594
Penalties - via RO Act or the Fair Work Act 2009	**-**	-
Total other expenses	**407,796**	207,594

	2022 $	2021 $
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	**476,083**	758,305
Total cash and cash equivalents	**476,083**	758,305

	2022 $	2021 $
Note 5B: Trade and Other Receivables		
Receivables from related entities		
National Electrical and Communication Association - New South Wales Branch	**-**	2,302
Related parties		
NECA Education & Careers	**-**	-
Protect Services Pty Ltd	**-**	-
Constructive Legal Solutions		
- Receivables	**16,497**	52,786
- Loan	**100,000**	-
Total receivables from related entities	**116,497**	55,088
Less allowance for expected credit losses	**-**	-
Total allowance for expected credit losses	**-**	-
Receivable from related entities (net)	**116,497**	55,088
Other receivables:		
GST receivable from the Australian Taxation Office	**-**	-
Sundry Debtors	**369,949**	330,357
Trade receivables	**43,893**	560,258
Petrol Scheme	**715,569**	507,746
Total other receivables	**1,129,411**	1,398,361
Less allowance for expected credit losses	**(12,757)**	(12,757)
Total allowance for expected credit losses	**(12,757)**	(12,757)
Other receivables (net):	**1,116,654**	1,385,604
Total trade and other recevables (net)	**1,233,151**	1,440,692

Notes to the financial statements
For the year ended 30 June 2022

Note 5 Current Assets (continued)

	2022 $	2021 $
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
Balance at Beginning of Year	**(12,757)**	(13,170)
Increase in provision recognised in Profit or Loss	-	-
Reversal of unused provision recognised in Profit or Loss	-	413
Balance at End of Year	**(12,757)**	(12,757)

Note 5C: Financial Assets

	2022 $	2021 $
Financial assets - at fair value through Profit or Loss	**6,750,005**	8,784,069
Total financial assets	**6,750,005**	8,784,069

Note 5D: Other current assets

	2022 $	2021 $
Prepayments	**19,097**	32,292
Total financial assets	**19,097**	32,292

Note 6 Non-current Assets

Note 6A: Land and buildings

	2022 $	2021 $
Land and buildings:		
at fair value	**1,600,000**	1,600,000
less accumulated depreciation	**(40,000)**	-
Total Land and buildings	**1,560,000**	1,600,000
Buildings improvements:		
at cost	**292,798**	292,798
less accumulated depreciation	**(36,600)**	(29,280)
Total buildings improvements	**256,198**	263,518
Computers and office equipment:		
at cost	**101,441**	101,441
less accumulated depreciation	**(98,434)**	(94,568)
Total computer and office equipment	**3,007**	6,873
Furniture and fittings:	`	
at cost	**47,528**	47,528
less accumulated depreciation	**(36,689)**	(35,021)
Total Furniture and fittings	**10,839**	12,507
Motor vehicles:		
at cost	**49,318**	-
less accumulated depreciation	**(6,165)**	-
Total Motor vehicles	**43,153**	-
Right-of-use plant and equipment		
at cost	**15,298**	80,906
less accumulated depreciation	**(8,924)**	(56,553)
Total plant and equipment	**6,374**	24,353
Total property, plant & equipment	**1,879,571**	**1,907,251**

Notes to the financial statements
For the year ended 30 June 2022

Note 6 Non-current Assets (continued)

Valuations
Land and/or buildings are at Level 12, 222 Kingsway, South Melbourne and were independently valued in May 2021 by the independent firm V L Cooper & Associates Pty Ltd on the basis of and in accordance with Australian Accounting Standards AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant & Equipment*. The Councillors do not believe there has been a material movement in fair value since the valuation date.

The Branch has a set policy for regular valuation of freehold land and buildings at least once every three to five financial years. Refer to Note 15 for further information on fair value measurement.

Notes to the financial statements
For the year ended 30 June 2022

Note 6 Non-current Assets (continued)
Note 6A Property, Plant and Equipment (continued)
Reconciliations of the Carrying Amounts of Each Class of Asset

Consolidated	Land and buildings	Buildings improvements	Computers and office equipment	Furniture and fittings	Motor vehicles	Right-of-use plant and equipment	Total
	$	$	$	$	$	$	$
Balance at 1 July 2020	**931,662**	**270,838**	**16,176**	**14,833**	**-**	**58,853**	**1,292,362**
Additions	-	-	-	-	-	9,753	9,753
Disposals	-	-	-	-	-	-	-
Revaluation increment/(decrements)	693,518	-	-	-	-	-	693,518
Net transfers between classes	-	-	-	-	-	-	-
Depreciation	(25,180)	(7,320)	(9,302)	(2,327)	-	(44,253)	(88,382)
Balance at 30 June 2021	**1,600,000**	**263,518**	**6,874**	**12,506**	**-**	**24,353**	**1,907,251**

	Land and buildings	Buildings improvements	Computers and office equipment	Furniture and fittings	Motor vehicles	Right-of-use plant and equipment	Total
	$	$	$	$	$	$	$
Balance at 1 July 2021	**1,600,000**	**263,518**	**6,874**	**12,506**	**-**	**24,353**	**1,907,251**
Additions	-	-	-	-	49,318	3,799	53,117
Disposals	-	-	-	-	-	-	-
Revaluation increment/(decrements)	-	-	-	-	-	-	-
Net transfers between classes	-	-	-	-	-	-	-
Depreciation	(40,000)	(7,320)	(3,867)	(1,668)	(6,165)	(21,777)	(80,797)
Balance at 30 June 2022	**1,560,000**	**256,198**	**3,007**	**10,838**	**43,153**	**6,375**	**1,879,571**

Notes to the financial statements
For the year ended 30 June 2022

	2022 $	2021 $
Note 6 Non-current Assets (continued)		
Note 6B: Investments in associates		
Constructive Legal Solutions	**10**	10
Total Investments in associates	**10**	10

Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	**1,128,745**	836,233
Subtotal trade creditors	**1,128,745**	836,233
Payables to other reporting units		
National Electrical and Communication Association - National Office	**39**	1,482
National Electrical and Communication Association - New South Wales Branch	**961**	-
National Electrical and Communication Association - Queensland Branch	**-**	100
National Electrical and Communication Association - Tasmanian Branch	**-**	-
Subtotal payables to other reporting units	**1,000**	1,582
Related parties		
NECA Education & Careers	**-**	-
NECA Legal Western Australia	**-**	-
Constructive Legal Solutions	**9,363**	-
Subtotal payables to related parties	**9,363**	-
Total trade payables	**1,139,108**	837,815

Settlement is usually made within 30 days.

Note 7B: Other payables		
Legal costs	**-**	-
Other legal costs	**-**	-
GST payable	**15,631**	126,283
Other	**200,203**	321,156
Total other payables	**215,834**	447,439
Total trade and other payables are expected to be settled in:		
No more than 12 months	**215,834**	447,439
More than 12 months	**-**	-
Total trade and other payables	**215,834**	447,439

Note 7C: Other current liabilities		
Deferred income:		
Subscriptions	**410,789**	1,290,334
Sponsorships	**57,501**	71,001
Restructuring provision	**-**	334,026
Technology upgrade	**110,783**	-
Grant provision	**-**	1,500,000
Total other payables	**579,073**	3,195,361

The income from the annual membership renewal for the year 2022/2023 was invoiced to members in July 2022 and will only be recognised as income in the respective year of membership.

Notes to the financial statements
For the year ended 30 June 2022

	2022 $	2021 $
Note 7 Current Liabilities (continued)		
Note 7D: Leases		
Current		
Lease liability	6,510	19,816
Total current borrowings	**6,510**	**19,816**
Non-current		
Lease liability	-	5,868
Total non-current borrowings	**-**	**5,868**
Total borrowings	**6,510**	**25,684**

Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	**-**	-
Long service leave	**-**	-
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**-**	-
Employees other than office holders:		
Annual leave	**142,688**	175,249
Long service leave	**53,483**	41,628
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**196,171**	216,877
Total employee provisions	**196,171**	216,877
Current	**163,685**	192,875
Non Current	**32,486**	24,002
Total employee provisions	**196,171**	216,877

Note 9 Equity		
Note 9A: Asset revaluation reserve		
Balance as at start of year		
Gain/(Loss) on revaluation of land and buildings	**1,987,680**	1,294,162
Transferred out of reserve	**-**	693,518
Balance as at end of year	**1,987,680**	1,987,680
Total asset revaluation reserve	**1,987,680**	1,987,680

Notes to the financial statements
For the year ended 30 June 2022

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

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

	2022 $	2021 $
Cash and cash equivalents as per:		
Cash flow statement	**476,083**	758,305
Balance sheet	**476,083**	758,305
Difference	**-**	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**21,778**	82,244
Adjustments for non-cash items		
Depreciation/amortisation	**80,797**	88,382
Investment income reinvested	**(108,089)**	(461,837)
Fair value movements in financial asset	**512,445**	(698,058)
Gain on sale of financial asset	**(30,292)**	(260,308)
Gain on disposal of assets	**-**	(5,455)
Changes in assets/liabilities		
(Increase)/decrease in receivables	**207,541**	(131,444)
(Increase)/decrease in inventories	**-**	-
(Increase)/decrease in other receivables	**13,195**	(32,292)
(Increase)/decrease in trade payables	**301,293**	72,196
(Increase)/decrease in other payables	**(231,605)**	63,958
Increase/(decrease) in other current liabilities	**(2,616,288)**	(9,785,488)
Increase/(decrease) in employee provisions	**(20,706)**	56,650
Net cash from (used by) operating activities	**(1,869,931)**	(11,011,452)

Note 10B: Cash flow information

	2022 $	2021 $
Cash inflows		
Other reporting units		
National Electrical and Communication Association - National Office	**27,720**	20,350
National Electrical and Communication Association - New South Wales Branch	**2,302**	243
National Electrical and Communication Association - South Australian Branch	**14,850**	2,203
National Electrical and Communication Association - Western Australian Branch	**-**	115
Related parties		
NECA Education & Careers	**496,461**	436,782
Constructive Legal Solutions	**137,003**	154,000
Total cash inflows	**678,336**	613,693
Cash outflows		
Other reporting units		
National Electrical and Communication Association - National Office	**459,297**	383,577
National Electrical and Communication Association - New South Wales Branch	**22,416**	45,913
National Electrical and Communication Association - Western Australian Branch	**2,161**	-
National Electrical and Communication Association - South Australian Branch	**11,000**	11,000
Related parties		
NECA Education & Careers	**-**	-
ECA Training Pty Ltd	**928**	-
Constructive Legal Solutions	**300,913**	55,765
Total cash outflows	**796,715**	496,255

Notes to the financial statements
For the year ended 30 June 2022

Note 11 Contingent Liabilities, Assets and Commitments
Note 11A: Commitments and Contingencies
The Branch has no commitments for expenditure as at 30 June 2022 (2021: nil)

Note 12 Related Party Disclosures
Note 12A: 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.

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

	2022 $	2021 $
Amounts owing from the related entities included the following:		
Other reporting units		
National Electrical and Communication Association - New South Wales Branch	-	2,302
National Electrical and Communication Association - South Australian Branch	-	-
Related parties		
NECA Education & Careers	-	-
Constructive Legal Solutions	16,051	52,786
Total revenue received from other reporting units and related parties	16,051	55,088
Amounts owing to the related entities included the following:		
Other reporting units		
National Electrical and Communication Association - National Office	39	1,482
National Electrical and Communication Association - New South Wales Branch	961	-
National Electrical and Communication Association - Western Australian Branch	-	-
National Electrical and Communication Association - South Australian Branch	-	-
National Electrical and Communication Association - Queensland Branch	-	100
Related parties		
NECA Education & Careers	-	-
NECA Legal Pty Ltd	-	-
Constructive Legal Solutions	9,363	-
Total expenses paid to other reporting units and related parties	10,363	1,582

Amounts owed by related parties:
Refer to Note 5B for amounts owed by related parties

Amounts owed to related parties:
Refer to Note 7A for amounts owed to related parties

Notes to the financial statements
For the year ended 30 June 2022

Note 12 Related Party Disclosures (continued)
Note 12A: Related Party Transactions for the Reporting Period (continued)
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. The following related parties have been identified below:

(a) ElecNet (Aust) Pty Ltd is the trustee of the Electrical Industry Severance Scheme. NECA Victoria owns 50% (2021: 50%) of the scheme. NECA Victoria under the Trust Deed has no risk in relation to an unfunded scheme position (contingent liability). NECA Victoria does not have the majority voting rights on the board, nor does it have significant influence by virtue of the board structure, hence the accounts of the scheme have not been consolidated, nor equity accounted. During the year, NECA Victoria received a distribution of $1,717,250 from the scheme (2021: nil) and directors fees of $164,664 (2021: $164,664).

(b) Protect Services Pty Ltd is a company incorporated in Australia, NECA Victoria owns 25% (2021: 25%) of that company which is a trustee of Protect Services Trust ("PST"). PST collects premiums for a designated insurer in its capacity as administrator. NECA Victoria does not have majority voting rights on the board, nor does it have significant influence over board decisions by virtue of the board structure, hence the accounts of the company have not been consolidated, nor equity accounted. During the year, NECA Victoria has no receivable balance owed from PST (2021: nil) and no commissions were accounted from in income (2021: $226,088).

(c) Future Energy Skills Pty Ltd ("Future") is a company limited by guarantee and registered with the Australian Charities and Not For Profit Commission ("ACNC"). Future is governed by a board of directors from industry peak bodies, the National Electrical and Communications Association ("NECA") and the Electrical Trades Union of Victoria ("ETU") as members. The board of directors (from NECA and ETU) is comprised of: up to two directors appointed by the ETU; up to two directors appointed by NECA; and up to two independent directors. During the year, no transactions have occurred between NECA Victoria and Future.

(d) During the year, $487,527 (2021: $402,659) was charged to NECA Education & Careers - a related entity of National Electrical and Communication Association for commercial services, marketing and payroll services. NECA Victoria has no receivable balance owed from NECA Education & Careers (2021: nil).

(e) During the year, $91,221 (2021: $140,000) was charged to Constructive Legal Solutions - a related entity of National Electrical and Communication Association for commercials. NECA Victoria also incurred $266,512 (2021: $50,696) of expenses paid to Constructive Legal Solutions for professional services. NECA Victoria has a receivable balance owed from Constructive Legal Solutions for $16,497 (2021: $52,786). During the year the Branch provided a loan to Constructive Legal Solutions with a credit line of $100,000, on a 5 year term at a commercial interest rate. (2021: nil).

(f) Victorian Electrotechnology Industry Development Trust (VEID Trust) is a special vehicle trust with the purpose to contribute to the development and enrichment of the Electrotechnology Industry in Victoria. The entity is separate to NECA with no ownership relationship, however, has some shared directors who also sit on NECA Victoria Council. During the year, NECA Victoria was named as a beneficiary to the VEID Trust and has recognised a distribution of $537,549 (2021: $50,000) distribution from the trust. NECA Victoria also provided a grant of $1,1717,250 (2021: $1,500,000) to the VEID Trust to contribute to the development and enrichment of the Electrotechnology Industry in Victoria.

Notes to the financial statements
For the year ended 30 June 2022

Note 12 Related Party Disclosures (continued)
Note 12A: Related Party Transactions for the Reporting Period (continued)

	2022 $	2021 $
Note 12B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	**897,598**	733,271
Annual leave accrued	**100,434**	71,708
Performance bonus	**192,634**	106,050
Total short-term employee benefits	**1,190,666**	911,029
Post-employment benefits:		
Superannuation	**98,859**	72,610
Total post-employment benefits	**98,859**	72,610
Other long-term benefits:		
Long-service leave	**20,270**	9,523
Total other long-term benefits	**20,270**	9,523
Termination benefits		
Total	**1,309,795**	993,162

Notes to the financial statements
For the year ended 30 June 2022

Note 13 Remuneration of Auditors

	2022 $	2021 $
Value of the services provided		
Financial statement audit services	**9,250**	15,750
Total remuneration of auditors	**9,250**	15,750

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

Note 14 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 subsidiaries.

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 14A: Categories of Financial Instruments

	Note	2022 $	2021 $
Financial Assets at amortised cost			
Cash and cash equivalents	5A	**476,083**	758,305
Trade and other receivables	5B	**1,233,151**	1,440,692
Total financial assets at amortised cost		**1,709,234**	2,198,997
Financial Assets at fair value through profit or loss			
Financial assets at fair value through profit or loss	5C	**6,750,005**	8,784,069
Total financial assets at fair value through profit or loss		**6,750,005**	8,784,069
Total financial assets		**8,459,239**	10,983,066
Financial Liabilities at amortised cost			
Trade payables	7A	**1,139,108**	837,815
Other payables	7B	**215,834**	447,439
Total financial liabilities		**1,354,942**	1,285,254

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 Branch’s activities.

Notes to the financial statements
For the year ended 30 June 2022

Note 14A: Categories of Financial Instruments (continued)

The day to day risk management is carried out under policies and objectives which have been approved by the Committee of Management. The Committee of Management 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.

National Electrical and Communication Association (NECA) does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

	Note	2022 $	2021 $
Note 14B: Net income and expense from financial assets			
Interest revenue	3D	**108,594**	462,005
Impairment		**-**	-
Change in fair value		**(512,445)**	698,058
Realised gain from sale of financial assets		**30,292**	260,308.00
Net gain/(loss)		**(373,559)**	1,420,371

Note 14C: 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 the 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

	2022	2021
Financial assets		
Trade receivables	1,245,908	1,453,449
Total financial assets	**1,245,908**	1,453,449

Notes to the financial statements
For the year ended 30 June 2022

Note 14C: Credit risk (continued)

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

30 June 2022	Trade and other receivables				
	Days past due				
	<30 days	31-60 days	61-90 days	>91 days	Total
	$	$	$	$	$
Expected credit loss rate	9.6%	17.7%	-1633%	0.0%	
Estimate total gross carrying amount at default	80,050	10,807	(195)	(30,718)	**59,944**
Expected credit loss	7,654	1,913	3,189	-	**12,756**

30 June 2021	Trade and other receivables				
	Days past due				
	<30 days	31-60 days	61-90 days	>91 days	Total
	$	$	$	$	$
Expected credit loss rate	1.2%	4.6%	55.7%	0.0%	
Estimate total gross carrying amount at default	617,112	41,667	5,722	(49,156)	**615,346**
Expected credit loss	7,654	1,913	3,189	-	**12,756**

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2022 and 2021 is the carrying amounts as illustrated in Note 14C.

Note 14D: 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 2022

Note 14D: Liquidity risk (continued)

Contractual maturities for financial liabilities 2022

	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$
Trade and other payables	1,354,942	-	-	-	1,354,942
Lease liabilities	6,510	-	-	-	6,510
Total	**1,361,452**	**-**	**-**	**-**	**1,361,452**

Contractual maturities for financial liabilities 2021

	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$
Trade and other payables	1,285,254	-	-	-	1,285,254
Lease liabilities	19,816	5,868	-	-	25,684
Total	**1,305,070**	**5,868**	**-**	**-**	**1,310,938**

Note 14E: 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 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 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 2022

Note 14E: 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.

	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	2	9,522	9,522
Interest rate risk	-2	(9,522)	(9,522)

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

	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	2	15,166	15,166
Interest rate risk	-2	(15,166)	(15,166)

Note 14F: Price risk

A large proportion of the financial instrument investments held by the Branch are exposed to other price risk as result of the Branch exposure to equity securities (those indirectly held investments via the Branch's Investment account which are either held in domestic listed and unlisted shares or in managed investment scheme). Other price risk is the risk that the fair value of future cash flows of a financial investment may fluctuate because of changes in market prices. The exposure of price risk has a direct impact of the Statement of Comprehensive Income and Statement of Financial Position of the Branch.

There is a fundamental financial relationship between risk and return. The investments are diversified across different risk profiles in return for commensurate returns in accordance with the Branch's strategic assets allocation policy, meaning that the other price risk exposure is understood.

Whilst equity markets are inherently volatile and suitable for short-term investment, over the long-term, equity investments have proven to be a good source of inflation protection, through the achievement of high return and real terms. To manage the price risk, the investment portfolio is diversified in accordance with asset class limits (in accordance with the Branch's strategic asset allocation policy). As part of the bank asset allocation strategy a portion of the equity investments are of a high quality and are publicly traded on the Australian Securities Exchange (ASX).

The table below summarises the impact of increases/decreases of the abovementioned investment exposures on the Branch's profit for the year and on equity. The analysis is based on the assumption that the respective price indexes for the different asset classes may increase/decrease in accordance to the historical correlation with the indexes that the investments are exposed to.

Notes to the financial statements
For the year ended 30 June 2022

Note 14F: Price risk (continued)

Taking into account past performance, future expectations, economic forecasts, and the Branch's knowledge and experience of the financial markets, the impact on profit or loss and the impact on equity in the table below is 'reasonable possible' over the next 12 months if other price risk changes by the following factors from the target benchmarks with all other variables, especially foreign exchange rates, held constant.

	Profit		Equity	
	2022	2021	2022	2021
	$	$	$	$
+/- 5% in ASX All Ordinaries Index	258,974	245,956	258,974	245,956

Note 15: Fair Value Measurements
Note 15A: Financial assets and liabilities

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 Branch'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 2022 was assessed to be insignificant.

• Fair value of financial assets at fair value through profit or loss is derived from quoted market prices in active markets.
• Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2022 $	Fair value 2022 $	Carrying amount 2021 $	Fair value 2021 $
Financial assets				
Cash and cash equivalents	**476,083**	**476,083**	758,305	758,305
Trade and other receivables	**1,233,151**	**1,233,151**	1,440,692	1,440,692
Financial assets	**6,750,005**	**6,750,005**	8,784,069	8,784,069
Total	**8,459,239**	**8,459,239**	10,983,066	10,983,066
Financial liabilities				
Trade and other payables	**1,354,942**	**1,354,942**	1,285,254	1,285,254
Total	**1,354,942**	**1,354,942**	1,285,254	1,285,254

Notes to the financial statements
For the year ended 30 June 2022

Note 15: Fair Value Measurements (continued)
Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

The different levels are defined below:
Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments.
Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.
Level 3: Fair value derived from inputs that are not based on observable market data.

Fair value hierarchy – 30 June 2022

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Managed Investments	30 June 2022	-	6,750,005	-
Land and Buildings	30 June 2021	-	1,560,000	-
Total		**-**	**8,310,005**	**-**

Fair value hierarchy – 30 June 2021

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Managed Investments	30 June 2021	-	8,784,069	-
Land and Buildings	30 June 2021	-	1,600,000	-
Total		-	10,384,069	-

Note 16: Association Details
The registered office and principal of the association is:
National Electrical and Communication Association – Victorian Branch
Level 12, 222 Kings Way
South Melbourne VIC 3205

Note 17: 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).

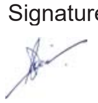
Officer declaration statement

I, Dean Spicer , being the President of the National Electrical and Communication Association Victoria Branch declare that the following activities did not occur during the reporting period ending 30 June 2022.

NECA Victoria did not:

- agree to receive financial support from another reporting unit to continue as a going concern.
- agree to provide financial support to another reporting unit to ensure they continue as a going concern.
- 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 revenue via compulsory levies
- receive capitation fees
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay affiliation fees to other entity
- pay a donation that was $1,000 or less
- pay a donation that exceeded $1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay to a person fees or allowances to attend conferences or meetings as a representative of NECA Victoria
- 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 a annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision 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 chapter
- have another entity administer the financial affairs of the Branch
- make a payment to a former related party of the Branch

Signature of prescribed designated officer



Name of prescribed designated officer DEAN SPICER
Title of prescribed designated officer PRESIDENT

NECA VIC Financial Statements 2022 for signing

Final Audit Report 2022-10-21

Created:	2022-10-19
By:	Pawel Podolski (Pawel.Podolski@neca.asn.au)
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Transaction ID:	CBJCHBCAABAAWYXG7P-1RhSlKp-hyOVOcN8oroCfi4sd

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