



17 November 2020

Carl Copeland
Branch Secretary
National Electrical and Communications Association-Western Australia Branch

Sent via email: carl.copeland@cet.asn.au
CC: sean.mcgurk@crowehorwath.com.au

Dear Carl Copeland,

**National Electrical and Communications Association-Western Australia Branch
Financial Report for the year ended 30 June 2020 – (FR2020/87)**

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the National Electrical and Communications Association-Western Australia Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 5 November 2020.

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.

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie'.

Kylie Ngo
Registered Organisations Commission



National Electrical Contractors Association – WA Chapter

ABN: 39 647 348 820

Financial report
For the Year Ended 30 June 2020

NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER
ABN 39 647 348 820

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EXPENDITURE INCURRED REPORT FOR THE YEAR ENDED 30 JUNE 2020

The committee of management presents the expenditure report¹ as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2020.

Categories of expenditures	2020 (\$)	2019 (\$)
Remuneration and other employment-related costs and expenses – employees	289,313	182,437
Advertising	36,639	21,598
Operating costs	1,865,623	1,094,446
Donations to political parties	–	–
Legal costs	–	–

Signature of designated officer: 

Name and title of designated officer: PETER BENSWILER (PRESIDENT)

Dated: 1 October 2020

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**OPERATING REPORT BY THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED
30 JUNE 2020 – S254**

Principal Activities

The principal activities of the Western Australia Branch during the reporting period were to provide services and representation to the members, consistent with the objects of the Association.

The Western Australia Branch's principal activities result in improving the business environment for the membership, particularly with respect to negotiated and arbitrated employee wages outcomes.

There were no significant changes in the nature of the Western Australia Branch's principal activities during the reporting period.

Significant Financial Changes

There were no other significant changes in the financial affairs of the Western Australia Branch during the reporting period.

Manner of Resignation

Members may resign from the Western Australia Branch in accordance with Rule 15 of the registered rules of The National Electrical and Communications Association, which reads as follows:

- (a) A member may resign by written notice addressed and delivered to the member's Branch Secretary.
- (b) A notice of resignation from membership takes effect:
 - (i) Where the member ceases to be eligible to be a member, on the later of:
 - (1) The date on which the notice is received by the Organisation; or
 - (2) The day specified in the notice.
 - (ii) In all other cases, on the later of:
 - (1) The day specified in the notice; or
 - (2) Two weeks after the notice is received by the Organisation.
- (c) Any fees payable but not paid by a former member in relation to a period before the member's resignation took effect are a debt due to the Organisation and may be sued for and recovered in the name of the Organisation.
- (d) A notice of resignation delivered to the Branch Secretary is taken to be received by the Organisation when it is delivered.
- (e) A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted. In that case, the resignation takes effect on the date specified by the Organisation.

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**OPERATING REPORT BY THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED
30 JUNE 2020 – S254 (continued)**

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme

No officers of the Western Australia Branch held positions of Trustee or director of a Trustee Company of a superannuation entity or exempt public sector superannuation scheme.

Number of Members

The number of members recorded on the register of members of the Western Australia Branch as at the end of the reporting period was 1,411.

Number of Employees

The number of persons who were, at the end of the reporting period, employees of the Western Australia Branch was two (2).

Members of Western Australia Branch Council

The persons who held office as members of the Western Australia Branch Council during the reporting period were:

- P. Beveridge (Western Australia Branch Council Member) -- Appointed as President 26 June 2019
- C. Sweeting (Western Australia Branch Council Member) - Appointed as Vice-President 26 June 2019
- G. Warren (Western Australia Branch Council Member) - Appointed as Treasurer 26 June 2019
- Z. Grego (Western Australia Branch Council Member)
- A. O'Grady (Western Australia Branch Council Member)
- D. Wellington (Western Australia Branch Council Member)
- G. Itzstein (Western Australia Branch Council Member) - Resigned 20 April 2020
- B. Allen (Western Australia Branch Council Member)
- C. Terranova (Western Australia Branch Council Member)
- C. Copeland (Western Australia Branch Secretary)


Signed

Carl Copeland

Western Australia Branch Secretary

Date: 1 October 2020

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	2		
Membership subscriptions		1,156,373	1,192,207
Other sales of goods or services to members		1,063,956	14,782
Total revenue from contracts with customers		2,220,329	1,206,989
Other Income			
Grant income		35,790	-
Other income		2,836	4,651
Interest income		175	1,422
Total other Income		38,801	6,073
Total Income		2,259,130	1,213,062
Expenses			
Employee expenses	3 (a)	289,313	182,437
Capitation fees	3 (b)	184,311	251,224
Administration expenses	3 (c)	606,222	797,456
Audit fees	3 (d)	5,000	4,000
Member activities expenses		1,052,386	28,762
Member services		3,974	1,916
Reversal of loss provision on trade receivables		(2,169)	-
Loss provision on trade receivables		1,309	2,169
Other expenses	3 (e)	51,229	30,517
Total expenses		2,191,575	1,298,481
Surplus/(deficit) for the year		67,555	(85,419)

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	229,690	350,820
Trade and other receivables	5	774,409	969,547
Other current assets	6	56,193	433,860
TOTAL CURRENT ASSETS		<u>1,060,292</u>	<u>1,754,227</u>
TOTAL ASSETS		<u>1,060,292</u>	<u>1,754,227</u>
 LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7	65,183	72,997
Other payables	7	972,475	1,724,232
Employee provisions	8	30,143	33,141
TOTAL CURRENT LIABILITIES		<u>1,067,801</u>	<u>1,830,370</u>
 LIABILITIES			
NON-CURRENT LIABILITIES			
Employee provisions	8	10,355	9,276
TOTAL NON-CURRENT LIABILITIES		<u>10,355</u>	<u>9,276</u>
TOTAL LIABILITIES		<u>1,078,156</u>	<u>1,839,646</u>
NET ASSETS		<u>(17,864)</u>	<u>(85,419)</u>
 EQUITY			
Retained loss		(17,864)	(85,419)
TOTAL EQUITY		<u>(17,864)</u>	<u>(85,419)</u>

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings	Total Equity
	\$	\$
Balance at 1 July 2019	(85,419)	(85,419)
Surplus for the year	67,555	67,555
Balance at 30 June 2020	(17,864)	(17,864)

	Retained Earnings	Total Equity
	\$	\$
Balance at 1 July 2018	-	-
Loss for the year	(85,419)	(85,419)
Balance at 30 June 2019	(85,419)	(85,419)

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations:			
Receipts from customers		1,330,547	1,325,877
Other operating receipts		262,765	38,499
Receipts from other reporting units	9	269,228	29,280
Receipts from director related parties		49,490	57,754
Interest received		175	1,422
Payments to suppliers and employees		(1,784,131)	(820,822)
Payments to other reporting units	9	(249,204)	(281,190)
Net cash from / (used by) operating activities		(121,130)	350,820
Net increase in cash held		(121,130)	350,820
Cash at the beginning of the financial year		350,820	-
Cash at the end of the financial year	4	229,690	350,820

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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 Contractors Association – WA Chapter (NECA WA Chapter) is a not-for-profit entity.

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

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

a. Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

b. Acquisition of assets and or liabilities that do not constitute a business combination

NECA WA Chapter did not acquire an asset or liability due to an amalgamation under Part 2 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.

c. Revenue

NECA WA Chapter enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, membership events and sponsorships.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where NECA WA Chapter has a contract with a customer, NECA WA Chapter recognises revenue when or as it transfers control of goods or services to the customer. NECA WA Chapter accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 NECA WA Chapter

If there is only one distinct membership service promised in the arrangement, NECA WA Chapter recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect NECA WA Chapter's 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, NECA WA Chapter 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 NECA WA Chapter 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).

For member subscriptions paid annually in advance, NECA WA Chapter 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 NECA WA Chapter at their standalone selling price, NECA WA Chapter accounts for those sales as a separate contract with a customer.

Income as a Not-for-Profit entity

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

During the year NECA WA Chapter received no material cash consideration that would be recognised as income upon receipt.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

e. Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before NECA WA Chapter transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when NECA WA Chapter performs under the contract (i.e., transfers control of the related goods or services to the customer).

f. Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. NECA WA Chapter refund liabilities arise from customers' right of return. The liability is measured at the amount the NECA WA Chapter ultimately expects it will have to return to the customer. NECA WA Chapter updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

g. Provisions

Provisions are recognised when NECA WA Chapter has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. 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 NECA WA Chapter in respect of services provided by employees up to reporting date.

i. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

j. New Accounting Standards

NECA WA Chapter has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to NECA WA Chapter.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 15 Revenue from Contracts with Customers

NECA WA Chapter has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable depending on the relationship between the entity's performance and the customers payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-For Profit Entities

NECA WA Chapter has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the assets fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then the excess of the initial carrying amount of the recognisable asset over the related amounts is recognised as income immediately.

Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met otherwise recognise the value as an expense.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 16 Leases

NECA WA Chapter has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short term leases and leases of low-value assets, right of use assets and corresponding liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right of use assets (included in operating costs) and an interest expense on the recognised lease liabilities (including in finance costs). In the earlier periods of the lease, the expense associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax and Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in the profit and loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The application of AASB 15, AASB 1058 and AASB 16 has had no material impact on the financial statements.

k. Income Tax

NECA WA Chapter is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE AND INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of NECA WA Chapter's revenue by type of arrangement 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.

	2020 \$	2019 \$
Type of customer		
Members	2,220,329	1,206,989
Other	-	-
Total revenue from contracts with customers	2,220,329	1,206,989

	2020 \$	2019 \$
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NOTE 3: EXPENSES

3 (a) Employee expenses

Holders of Office:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and Redundancies	-	-
Other employee expenses	-	-
	<u>-</u>	<u>-</u>

Employees other than Office Holders:

Wages and Salaries	237,950	152,296
Superannuation	23,587	14,528
Leave and other entitlements	11,021	12,806
Separation and Redundancies	-	-
Other employee expenses	16,755	2,807
	<u>289,313</u>	<u>182,437</u>

Total Employee expenses	289,313	182,437
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 3: EXPENSES (continued)		
3 (b) Capitation fees		
NECA National	<u>184,311</u>	<u>251,224</u>
3 (c) Administration expenses		
Support Services fee *	523,000	708,643
Consultants	14,563	16,584
Information communications technology	1,831	248
Office expenses	13,355	8,132
Travel and accommodation	28,270	41,557
Publications expense	19,046	15,480
Other administration expenses	<u>6,157</u>	<u>6,812</u>
Total Administration expenses	<u>606,222</u>	<u>797,456</u>
3 (d) Audit fees		
Financial statement audit services	2,500	4,000
Other services	<u>2,500</u>	<u>-</u>
Total Audit fees	<u>5,000</u>	<u>4,000</u>
3 (e) Other expenses		
Bad debts written off	-	3,583
Insurance	9,575	2,746
Motor vehicle	5,015	2,590
Advertising expenses	<u>36,639</u>	<u>21,598</u>
Total Other expenses	<u>51,229</u>	<u>30,517</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	229,690	350,820
Cash on deposit	-	-
Cash on hand	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>229,690</u>	<u>350,820</u>

* NECA WA Chapter has a service level agreement with The Electrical and Communications Association of Western Australia Inc for the provision of administration, financial and other support services.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 5: TRADE AND OTHER RECEIVABLES		
Receivables from other reporting units		
NECA NSW	-	246,400
NECA South Australia	-	2,100
NECA Trade Services Pty Ltd	-	2,100
Total receivable from other reporting units	-	250,600
Other receivables		
Other trade receivables	765,056	721,024
Other receivables	10,662	92
Total other receivables	775,718	721,116
Total Trade and other receivables	775,718	971,716
Loss provision for loss allowance	1,309	2,169
Total Trade and other receivables (net)	774,409	969,547
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	56,193	433,310
Other current assets	-	550
Total Other current assets	56,193	433,860

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 7: TRADE AND OTHER PAYABLES		
Payables to other reporting units		
NECA National	1,001	4,538
Total payables to other reporting units	<u>1,001</u>	<u>4,538</u>
Trade creditors and accruals	64,182	68,459
Total trade creditors	<u>64,182</u>	<u>68,459</u>
Total trade payables	<u>65,183</u>	<u>72,997</u>
GST payable	6,524	78,924
Contract liabilities	958,877	1,634,637
Wages and salaries	4,603	6,092
Superannuation	1,929	2,947
Other payables	542	1,632
Total other payables	<u>972,475</u>	<u>1,724,232</u>
Total other payables are expected to be settled in:		
No more than 12 months	972,475	1,724,232
More than 12 months	-	-
Total other payables	<u>972,475</u>	<u>1,724,232</u>
	2020	2019
	\$	\$
NOTE 8: EMPLOYEE PROVISIONS		
Holdings of Office:		
Annual leave	-	-
Long service leave	-	-
Separation and Redundancies	-	-
Other	-	-
Subtotal employee provisions – office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	27,326	33,141
Long service leave	10,355	9,276
Separation and Redundancies	-	-
Other	2,817	-
Subtotal employee provisions – Employees other than office holders	<u>40,498</u>	<u>42,417</u>
Current	30,143	33,141
Non-current	10,355	9,276
Total employee provisions	<u>40,498</u>	<u>42,417</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 9: CASH FLOW INFORMATION		
Reconciliation of profit/(loss) to net cash from operating activities		
Surplus/(Loss) for the year	67,555	(85,419)
Adjustments for non-cash items:		
Depreciation	-	-
Amortisation	-	-
(Profit)/Loss on sale of non-current assets	-	-
Loss provision on trade receivables	1,309	2,169
Reversal of loss provision on trade receivables	(2,169)	-
Change in assets and liabilities		
Decrease/(increase) in receivables	195,138	(662,263)
Decrease/increase in other current assets	377,667	(390,589)
Increase/(decrease) in trade and other payables	(82,951)	162,592
Increase/(decrease) in income in advance	(675,760)	1,281,913
Increase/(decrease) in provisions	(1,919)	42,417
Net cash from (used by) operating activities	<u>(121,130)</u>	<u>350,820</u>
Cash flow information		
Cash inflows		
NECA Queensland Chapter (other reporting unit)	-	17,600
NECA Training Ltd (other reporting unit)	-	11,680
NECA National (other reporting entity)	17,695	-
NECA Victoria Chapter (other reporting entity)	286	-
NECA NSW Chapter (other reporting entity)	247,047	-
NECA South Australia Chapter (other reporting entity)	2,100	-
NECA Trade Services Pty Ltd (other reporting entity)	2,100	-
Total cash inflows	<u>269,228</u>	<u>29,280</u>
Cash outflows		
NECA National (other reporting unit)	249,204	280,884
NECA South Australia Chapter (other reporting unit)	-	306
Total cash outflows	<u>249,204</u>	<u>281,190</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: RELATED PARTY DISCLOSURES

Terms and Conditions of transactions with related parties

The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Committee members, directors and their related entities are able to use the services provided by NECA WA Chapter. Such services are made available on terms and conditions no more favourable than those available to all other members. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2020, NECA WA Chapter has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

	2020	2019
	\$	\$
Revenue received from other reporting units		
Revenue received from NECA Queensland Chapter includes the following:		
Sponsorship	-	16,000
Revenue received from NECA National includes the following:		
Events	7,296	-
Other income	8,203	-
Revenue received from NECA Victoria includes the following:		
Other income	260	-
Revenue received from NECA New South Wales Chapter includes the following:		
Sponsorship	-	224,000
Events	588	-
Revenue received from NECA Training Ltd includes the following:		
Sponsorship	-	8,000
Events	-	2,618
Revenue received from NECA South Australia Chapter includes the following:		
Events	-	1,909
Revenue received from NECA Trade Services Pty Ltd includes the following:		
Events	-	1,909

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: RELATED PARTY DISCLOSURES (continued)

	2020	2019
	\$	\$
Expenses paid to other reporting units		
Expenses paid to NECA National includes the following:		
Capitation fees	184,311	251,224
Events	24,773	8,250
Other expenses	14,250	-
Expenses paid to NECA South Australia Chapter includes the following:		
Advertising	-	279
Amounts owing from other reporting units		
NECA New South Wales Chapter	-	246,400
NECA South Australia Chapter	-	2,100
NECA Trade Services Pty Ltd	-	2,100
Amounts owing to other reporting units		
NECA National	1,001	4,538
Revenue received from director related parties		
Membership income received from:		
Williams Electrical Service	9,055	18,109
Apollo Electrotech	1,691	3,327
Bon Electrics	-	2,171
Mizco Electrics	7,200	18,109
Westwide Electrical Services	2,978	6,829
Global Cabling	496	5,858
Wellington Electrical	899	1,772
Team Electrical	-	3,851
Downer EDI Engineering Power Pty Ltd	-	9,055
EC & M Limited	-	9,055
Barry Allen Electrical Services	2,247	2,247
Cam Electrical Services	1,691	1,691
EJ Electrical Engineering Contractors	-	2,247
Events income received from:		
Williams Electrical Service	1,908	1,000
Mizco Electrics	1,527	-
Global Cabling	1,908	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: RELATED PARTY DISCLOSURES (continued)

	2020	2019
	\$	\$
Expenses paid to director related parties		
Expenses paid to The Electrical and Communications Association of Western Australia Inc includes the following:		
Support Services fee	523,000	718,643

5 directors of NECA WA Chapter are also directors of The Electrical and Communications Association of Western Australia Inc

Amounts owing from director related parties

Williams Electrical Service	9,960	9,960
Apollo Electrotech	1,860	1,860
Bon Electrics	-	2,472
Mizco Electrics	9,960	9,960
Global Cabling	546	3,276
Team Electrical	-	4,392
Downer EDI Engineering Power Pty Ltd	-	9,960
EC & M Limited	-	9,960
Barry Allen Electrical Services	2,472	-

Amounts owing to director related parties

The Electrical and Communications Association of Western Australia Inc	43,583	39,212
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NOTE 11: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

No disclosure has been made as there are no employees who meet the definition of key management personnel.

NOTE 12: FINANCIAL INSTRUMENTS

Financial risk management objectives

NECA WA Chapter activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Liquidity risk

Vigilant liquidity risk management requires NECA WA Chapter to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NECA WA Chapter manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. Remaining contractual maturities

The following tables detail NECA WA Chapter remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2020	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Non-interest bearing						
Trade payables	-	65,183	-	-	-	65,183
Other payables	-	972,475	-	-	-	972,475
Total non-derivatives		1,037,658	-	-	-	1,037,658

2019	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Non-interest bearing						
Trade payables	-	72,997	-	-	-	72,997
Other payables	-	1,724,232	-	-	-	1,724,232
Total non-derivatives		1,797,229	-	-	-	1,797,229

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 13: EVENTS AFTER THE REPORTING DATE

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, NECA WA Chapter is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on its future financial performance and financial position. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the NECA WA Chapter the results of those operations, or the state of affairs of NECA WA Chapter in subsequent financial periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: CONTINGENT LIABILITIES AND ASSETS

NECA WA Chapter did not have any contingent liabilities or assets as at 30 June 2020.

NOTE 15: 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 NECA WA Chapter or the Commissioner, may apply to NECA WA Chapter for specified prescribed information in relation to NECA WA Chapter 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 NECA WA Chapter
- 3) NECA WA Chapter must comply with an application made under subsection (1)

OFFICER DECLARATION STATEMENT

I, Mr. Carl Copeland - Branch Secretary of the National Electrical Contractors Association – WA Chapter, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

(Note: delete items that appear elsewhere in the audited report)

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- receive capitation fees from another reporting unit
- receive revenue via compulsory levies
- receive donations
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- 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 fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 1 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION – WA CHAPTER

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the National Electrical Contractors Association – WA Chapter (“the Chapter”), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the statement by the committee of management, 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 the National Electrical Contractors Association – WA Chapter as at 30 June 2020, and its performance and its cash flows for the year ended on that date in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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 Chapter 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 the 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 my 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 the Committee of Management for the Financial Report

The committee of management of the Chapter 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 Board determines is necessary to enable the preparation of the financial report that 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 Chapter's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Chapter or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We declare that the lead audit partner is an auditor registered under the RO Act

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Section 257(7) of the RO Act, I confirm that there are no matters to report relating to any deficiency, failure or shortcoming in respect to matters referred to in section 257(7) and 257(2) of the RO Act.



Crowe Perth



Sean McGurk

Partner

Signed at Perth, Western Australia

1 October 2020

Registration Number AA2017/237

Certificate by prescribed designated officer

For the year ended 30 June 2020

I, Carl Copeland, being the Secretary of the National Electrical and Communications Association WA Branch certify:

- o that the documents lodged herewith are copies of the full report for the National Electrical and Communications Association WA Branch for the period ended 30 June 2020 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- o that the full report was provided to members of National Electrical and Communications Association WA Branch on 5/10/2020; and
- o that the full report was presented to a general meeting of members of the National Electrical and Communications Association WA Branch on 27/10/2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer: CARL COPELAND

Title of prescribed designated officer SECRETARY WA BRANCH

Dated: 5 November, 2020