

**The Electrical Contractors Association of New  
Zealand Incorporated**

**Pro Forma Financial Statements  
For the year ended 31 December 2023**

# The Electrical Contractors Association of New Zealand Incorporated

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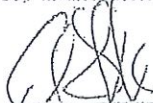
# The Electrical Contractors Association of New Zealand Incorporated



## Statement of Comprehensive Revenue and Expense For the year ended 31 December 2023

	Group 12 months 31 December 2023 \$	Parent 12 months 31 December 2023 \$	Parent & Group* 6 months 31 December 2022 \$
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
Fees, subscriptions and other revenue from members	1,328,119	1,328,119	1,000,856
Revenue from providing goods or services	632,418	987,612	337,151
Rental income	442,097	-	-
Outgoings income	127,294	-	-
<b>Total revenue from exchange transactions</b>	<b>2,529,928</b>	<b>2,315,731</b>	<b>1,338,007</b>
<b>TOTAL REVENUE</b>	<b>2,529,928</b>	<b>2,315,731</b>	<b>1,338,007</b>
<b>EXPENSES</b>			
Wages, salaries and other employee costs	1,501,722	1,482,972	597,309
Depreciation, amortisation and impairment expenses	270,583	107,083	47,586
Outgoings expenses	105,703	-	-
Other overhead and administrative expenses	2,074,925	1,992,393	1,087,202
<b>TOTAL EXPENSES</b>	<b>3,952,933</b>	<b>3,582,448</b>	<b>1,732,097</b>
Interest income	331,624	331,624	1,296
<b>NET SURPLUS FROM FINANCE ACTIVITIES</b>	<b>331,624</b>	<b>331,624</b>	<b>1,296</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(1,091,381)</b>	<b>(935,093)</b>	<b>(392,795)</b>
<b>OTHER LOSSES/(GAINS)</b>			
Gain/(Loss) on Assets Disposal	1,832	1,832	7,700
Gain/(Loss) on Shares Disposal	29,838,727	29,838,727	-
<b>TOTAL OTHER LOSSES</b>	<b>29,840,560</b>	<b>29,840,560</b>	<b>7,700</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>28,749,179</b>	<b>28,905,467</b>	<b>(385,095)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>	<b>28,749,179</b>	<b>28,905,467</b>	<b>(385,095)</b>

These financial statements have been authorised for issue by the Board of Directors on \_\_\_\_\_

  
Chairman

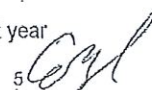
13/5/2024  
Date

  
Director

14/5/2024  
Date

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

This statement should be read in conjunction with the attached notes to the financial statements

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# The Electrical Contractors Association of New Zealand Incorporated

## Statement of Financial Position As at 31 December 2023

	Group 31 December 2023 \$	Parent 31 December 2023 \$	Parent & Group* 31 December 2022 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	8,884,619	8,808,812	119,493
Receivables	171,298	171,298	237,128
Short term investments	2,025,000	2,025,000	-
Inventories	14,056	14,056	12,734
Income tax receivable	4,652	4,652	449
Inter-entity receivable	-	11,002,761	-
Prepayments	61,096	48,677	66,798
<b>Total current assets</b>	<b>11,160,721</b>	<b>22,075,256</b>	<b>436,602</b>
<b>Non-current</b>			
Property, plant and equipment	1,048,087	1,048,087	1,022,995
Intangible assets	104,667	104,667	177,640
Investment property	10,736,500	-	-
Investment	7,300,000	7,300,000	-
<b>Total non-current assets</b>	<b>19,189,254</b>	<b>8,452,754</b>	<b>1,200,635</b>
<b>TOTAL ASSETS</b>	<b>30,349,975</b>	<b>30,528,010</b>	<b>1,637,237</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Payables	328,510	350,258	311,336
Credit Cards	11,941	11,941	22,204
Employee entitlements	64,347	64,347	107,699
	404,798	426,546	441,239
<b>Non-current</b>			
Provisions under Guarantees	8,949	8,948	8,948
<b>Total non-current liabilities</b>	<b>8,949</b>	<b>8,948</b>	<b>8,948</b>
<b>TOTAL LIABILITIES</b>	<b>413,747</b>	<b>435,494</b>	<b>450,187</b>
<b>NET ASSETS</b>	<b>29,936,228</b>	<b>30,092,516</b>	<b>1,187,050</b>
<b>EQUITY</b>			
Accumulated funds	(541,168)	(384,881)	548,380
Other equity reserves	30,477,396	30,477,397	638,670
<b>TOTAL EQUITY</b>	<b>29,936,228</b>	<b>30,092,516</b>	<b>1,187,050</b>

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

This statement should be read in conjunction with the attached notes to the financial statements



# The Electrical Contractors Association of New Zealand Incorporated

## NOTES

- The proforma financial statements are extracted from the fully audited financial statements for the year ended 31 December 2023.
- They are financial statements as supplied are consolidated for the first time – this means that it is a combination of ECANZ and ME Property Investments Limited (the company that holds the property assets from the sale of ETCO).
- The comparative in the financial statements is for a six month period as there was a change in balance date during the 2022 year. A direct comparison cannot be made between the 2022 and 2023 year due to this and timing of some of the revenue and expenses within a financial year.
- Parent = ECANZ and Group = ECANZ plus ME Property Investments Ltd.

## COMMENTARY

### Statement of comprehensive Revenue and Expense:

- As a result of the sale of ETCO the shape of revenue in ECANZ has changed from year to year. No longer is ECANZ reliant of payments from Skills and ETCO to meet costs. This has been replaced by income from rentals and interest.
- The 2023 year is a blend of year as the ETCO sale didn't take place till March 2023. We are not seeing a full year potential of interest and rental income.
- What is not represented in these reports is the capital growth in fixed assets and managed funds. These will be captured in future years.
- There was a reduction in sponsorship income from 2022 to 2023.
- Due to inflationary pressures salary and wages costs increased during the year as ECANZ moved to meet the market and acknowledged there had to be an increase greater than other periods to try minimizing the impact of inflation on its team.
- There is a gain on the sale of the shares in ETCO of \$29,838,727 this has caused the large surplus for the year. This is a one off transaction.

### Statement of financial position:

- There is a substantive change to statement of financial position year to year of ECANZ. This is due to the sale of ETCO business in March 2023. The sale proceeds are represented in the balance sheet in investments in property, term deposits and shares in the company Industry Connection for Excellence Limited.

- The difference between the sale of ETCO and what it was valued at in ECANZ prior to sale is shown as capital gain and hence an increase in the Other equity reserve.
- The Net Assets of ECANZ has gone from \$1,187,050 as at 31 December 2022 to \$29,936,228 as at 31 December 2023.

### **The Future**

ECANZ needs to be sustainable without eating into its capital base.

Therefore, it relies on sponsorship, interest income, rental income, membership and Skills foundation to fund its outgoings.

Funds currently held in cash and term deposits are returning 5.5% and the commercial properties are returning 4.0%.

In the past there has been ETCO income. Going forward this replaced by interest and rental income and is not on top of ETCO income. ECANZ doesn't have additional revenue of \$1.15m.

What also isn't immediately apparent is any capital growth in the commercial property investments and this doesn't help to meet outgoings of the business.

If ECANZ wants to be sustainable long term then a membership fee increase is warranted to meet increasing costs a lot of which is due to inflationary pressures which we are seeing across a lot of businesses.