

Hunter Business Chamber ('Business Hunter')

ABN 96 083 977 459

Annual Report - 30 June 2024

The directors present their report, together with the financial statements, on the Hunter Business Chamber (referred to as the 'company' or 'Business Hunter') for the year ended 30 June 2024.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Lauren Eyles (President)
Glenn Thornton (Senior Vice President)
Holly Martin (Vice President)
Anthony (Tony) Rhodes (immediate Past President)
Stephanus (Hennie) du Plooy
Natalie Mitchell (resigned on 19 March 2024)
Ashleigh Johns
Genelle Scotts
Peter Lawrence
Seamus Burke
Judith Field (appointed as special member representative on 19 March 2024)

Objectives and strategy for achieving the objectives

Member engagement and growth

Maximise relevance, effectively communicate and engage with Business Hunter member companies by providing quality events, access to advocacy and advice, and value adding products and services to the members.

Key strategy/measures

- Connection and engagement with Business NSW and local Chambers of Commerce in the region
- Strengthen Hunter First branding, membership, and value proposition
- Progressive advocacy reflecting the needs of business in the region and strong relationships with all levels of government
- Participate in united efforts to advance the interests of the region
- Grow the Hunter First membership and build a membership pipeline

Policy and advocacy

As the preeminent and peak regional business organisation, Business Hunter continues to develop, promote and advocate the interests of business on key regional issues in order to attract investment and foster growth.

Key strategy/measures

- Develop and implement policy and project initiatives to drive regional economic growth
- Productive engagement at and with federal and state agencies and members of parliament
- Strengthen media relations to maintain position as the business voice of first choice in the Hunter
- Work with members to develop and execute an advocacy agenda that reflects their interests

Events

Develop and conduct an events program which responds to the education, information and networking objectives of member organisations and the wider regional business community.

Key strategy/measures

- Offer and host a diverse range of events and networking programs reflecting the interest and needs of the range of business size and sectors found within the membership
- Strengthen the event engagement and patronage by continually assessing and improving the program
- Stage business excellence awards that engage the membership and affiliates and link through to the State program

Principal activities

During the financial year, the principal activities of the company continued to be the engagement, promotion and advocacy for the interests of business of the Hunter Region with a purpose to optimize the business environment, attract investment and foster growth. To achieve this, the company conducts membership communication and engagement, hosts networking events, facilitates the provision of business-related products and services and conducts ongoing policy and advocacy initiatives and representation on behalf of business.

The company operates pursuant to its Constitution and a Related Party Deed ('RPD') executed with the NSW Business Chamber Limited ('NSWBC'). The RPD details elements of the relationship concerning the provision of membership, events, products and services in the Hunter Region. Business Hunter works with Business NSW across a range of NSWBC operational units to deliver services to members as well as acquitting the company's own operational and administrative functions. In this context, the Board of Directors of the company also fulfil the role of the NSWBC Regional Council for the Hunter Region.

The company also promotes and supports the interests and membership of the Hunter First membership and resources independent public affairs, policy and advocacy activities.

Significant events

The program and net income from some events continued to be negatively impacted by a combination of circumstances. Notwithstanding this, three significant events were able to gain significant support from the membership and business community and provided considerable support to the financial outcome for the year.

Hunter First membership renewals remained stable and targets for new members and renewals were broadly met. Directors sought to ensure the events program remained relevant to the interest of the membership to ensure the financial position is not eroded if member preferences change.

There were no other significant changes in the state of affairs of the company during the financial year.

Performance measures

The company's performance is consistently measured against the following key performance indicators and drivers:

Key performance indicators

- Consolidate and grow the Hunter First membership.
- Promote and present a program of events including the Business Hunter Awards.
- Nurture media engagement and relations and measure outcomes and delivery through analytics and activity progress.
- Monitor and improve organisation net promoter score.
- Achieve net profit target through efficient and effective operational and administrative performance.

Key internal drivers

- Work with Business NSW on the policy and advocacy agenda to optimize the environment for business.
- Ensure operational structure and responsibilities are relevant and meet organizational and member needs.

Key external drivers

- Effectively work with key federal, state and local government decision makers and participate in strategy, policy and funding reviews.
- Engagement with key regional organisations across regional policy, strategy, and project priorities.
- Hunter First member engagement, connection, and communication to ensure continued relevance of Business Hunter activity.

Information on directors



Lauren Eyles



Glenn Thornton



Holly Martin



Tony Rhodes



Hennie Du Plooy



Judith Field



Peter Lawrence



Seamus Burke



Ashleigh John



Genelle Scotts

Name: Lauren Eyles
 Title: President
 Qualifications: B Arts (Communication Studies), MBA, GAICD
 Experience and expertise: Lauren Eyles is an MBA-qualified Executive with a passion for growing businesses, people and communities. A qualified coach, she empowers leaders and teams to connect with their purpose and design and achieve compelling goals. Lauren has held executive leadership roles across the tourism, ports and utilities sectors through times of transformation. She has led communication and established strong stakeholder relationships across New South Wales, gaining support for organisational strategies and ESG initiatives. She holds an MBA (Distinction), qualifications in project management, sustainability, coaching and change management and is a graduate of the Australian Institute of Company Directors
 Special responsibilities: Chairs the Executive Committee, member of the Audit and Governance Committee

Name: Glenn Thornton
 Title: Senior Vice President
 Qualifications: B.Com., MBA, MStrat PR, FCPA, GAICD
 Experience and expertise: Glenn Thornton is the General Manager, Northern NSW at TSA Management. Having recently worked at the Port of Newcastle and overseen the development of a masterplan for the proposed Container Terminal, Glenn has decades of experience running projects and organisations in the Hunter region and across Australia. Glenn's professional career has included infrastructure work in the transport, energy, water and environment sectors in both project management and project advisory roles. Glenn is passionate about the Hunter region and looks forward to making a strong contribution in the business and general community.
 Special responsibilities: Member of the Executive, Chair of the Regional Infrastructure Committee

Name: Holly Martin
Title: Vice President
Qualifications: B Comms., Masters of Marketing, GAICD
Experience and expertise: Holly Martin is a successful and practiced marketing expert with two decades of experience helping companies and professionals to become more engaging to their audiences through effective marketing. Holly runs a successful marketing agency, The Marketing GP, that has helped start ups, small businesses, family business and multi-nationals, seeking to lead their industry. Holly is a past President (2018) of Newcastle Business Club and has board experience across a range of not-for-profit organisations such as the Hunter Academy of Sport, ConnectAbility and Hunter Breast Cancer Foundation. Holly is a graduate of the Australian Institute of Company Directors.

Special responsibilities: Member of the Executive Committee

Name: Anthony ('Tony') Rhodes
Title: Immediate Past President
Experience and expertise: Tony Rhodes is the owner and CEO of Mullane Group, which provides a range of trades services. Tony began his plumbing apprenticeship with H.L Mullane at the age of 15 and bought the company from the Mullane family 20 years later, after working through management and leadership roles. Tony is also a founder and part-owner of Prophase, an electrical contracting company, and The Mullane Foundation, a registered charity providing hands-on help in communities without access to clean water, sanitation, shelter or electricity. Tony is a past president of both Newcastle Rotary Club and Newcastle Master Builders Association and has served on advisory boards for SIDS and the Royal Institute for Deaf and Blind Children.

Special responsibilities: Member of the Executive Committee

Name: Stephanus ('Hennie') du Plooy
Title: Director
Qualifications: B.Eng. (Extractive Metallurgical), B.Com., GAICD
Experience and expertise: Hennie du Plooy is the Chief Executive Officer of Port Waratah Coal Services ('PWCS') and was Hunter Business Chamber President from 2018-2020. Hennie has led PWCS through periods of strong growth and expansion as well as a material downturn in the coal industry requiring adaptability to cost pressures and customer demand for efficiencies. Hennie's key interest is advancing the mutually beneficial relationship between local business and the Hunter community. Having a strong track record of positive community engagement, Hennie's contribution to Business Hunter has been to focus on how current strengths can be leveraged in the interest of sustainable economic growth that improves all aspects of the region's wellbeing.

Special responsibilities: Member representative of Business Hunter on Committee for the Hunter

Name: Judith Field
Title: Director
Qualifications: Dip Teach: Early Childhood Education, MAICD
Experience and expertise: Judith Field is the Business NSW representative on the Business Hunter Board and is a Director of both organisations. She is an experienced manager in the construction, education, and retail industries, including 20 years with Lendlease where she had a strong focus on workforce participation, economic and social sustainability in development projects across Australia. Judith worked for 11 years at the University of Western Sydney (now WSU) in business development and research commercialisation and was an elected representative on the Board of Trustees. Over her career, Judith has been a passionate champion for building the capacity of SME's and not-for-profit organisations, particularly in regions, and has been an active volunteer on a number of these entities.

Special responsibilities: Director appointed by the NSWBC Ltd pursuant to the Related Party Deed

Name: Ashleigh John
Title: Director
Qualifications: B.Comms., B.Law. GAICD
Experience and expertise: Ashleigh John is the Managing Director of Mullane & Lindsay Solicitors. Ashleigh graduated from the AICD Company Directors course in 2021 and has a particular interest in supporting SMEs in Newcastle and the Hunter. Having previously worked as a casual academic at the University of Newcastle, she is passionate about maximising the advantage of the links between the University and the local business community and drawing on the international reputation of the University for the benefit of businesses in the region.

Name: Genelle Scotts
Title: Director
Qualifications: Human Resources CERT IV
Experience and expertise: Genelle Scotts is the Community Advisor at Bengalla Mining Company and is a deeply dedicated Community Relations Professional with a stellar record of successful outreach to a wide variety of community demographics. As Secretary of the Muswellbrook Chamber of Commerce, Genelle is passionate and active in assisting to improve and strengthen the local business environment and promoting the interests of the local business community. Genelle's focus as a board member is to strengthen the communication and relationships between the local Chambers of Commerce and Business Hunter.
Special responsibilities: Chamber Alliance Partner Program representative

Name: Peter Lawrence
Title: Director
Qualifications: B.Com., Graduate Diploma of Chartered Accounting, Master of Business Administration
Experience and expertise: Peter Lawrence has been working in the accounting profession since 2004, advising private and family owned businesses in the Hunter. As a Partner at Pitcher Partners, Peter is passionate about supporting businesses to take a holistic view and plan for long term, sustained success. Peter's experience spans a number of industries including property, construction, infrastructure, telecommunications, retail, hospitality and health. A key area of interest for Peter is addressing the skills shortage which is impacting every industry in the current environment.
Special responsibilities: Chairs the Audit and Governance committee

Name: Seamus Burke
Title: Director
Qualifications: Bachelor of Legal Studies
Experience and expertise: Seamus Burke is a partner of Sparke Helmore, a national law firm which started in Newcastle in 1882 and now has more than 900 people in nine offices around Australia, including Newcastle and Muswellbrook. Seamus is part of the Workplace Group where he advises employer clients in relation to all aspects of the employment relationship, including employment law, industrial relations and safety. Seamus grew up in Newcastle before spending time working in Sydney and London. He has a specific interest in the provision of equal employment opportunities within local businesses to maximise the potential of our home-grown talent for the future of the Hunter region.
Special responsibilities: Member of the Audit and Governance Committee

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Executive		Audit and Governance	
	Attended	Held	Attended	Held	Attended	Held
Lauren Eyles	6	6	11	11	2	2
Glenn Thornton	6	6	11	11	-	-
Holly Martin	5	6	10	11	-	-
Tony Rhodes	6	6	9	11	-	-
Hennie du Plooy	5	6	-	-	-	-
Ashleigh John	5	6	-	-	-	-
Genelle Scotts	3	6	-	-	-	-
Peter Lawrence	5	6	-	-	2	2
Seamus Burke	5	6	-	-	2	2
Judith Field	2	2	-	-	-	-
Natalie Mitchell	3	4	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Company secretary

Robert (Bob) Hawes (BEc, GAICD) joined the company in 2017 and is the Chief Executive Officer and Company Secretary.

Contributions on winding up

In the event of the company being wound up, voting members or within one year after they ceased to be a voting member, are required to contribute a maximum of \$50 each. Non-voting members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$15,300, based on 306 current voting members as at 30 June 2024.

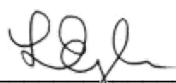
The Constitution does not permit the return of capital or the distribution of surplus by way of dividend to members.

Auditor's independence declaration

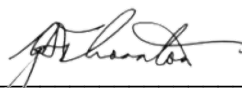
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Lauren Eyles
Director



Glenn Thornton
Director

26 September 2024
Newcastle

DECLARATION OF INDEPENDENCE BY STEPHEN MAY TO THE DIRECTORS OF HUNTER BUSINESS CHAMBER LIMITED

As lead auditor of Hunter Business Chamber Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Stephen May

Director

BDO Audit Pty Ltd

Sydney, 26 September 2024

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General information

The financial statements cover Hunter Business Chamber as an individual entity. The financial statements are presented in Australian dollars, which is Hunter Business Chamber's functional and presentation currency.

Hunter Business Chamber is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1, Level 1
165 Lambton Road
Broadmeadow NSW 2292

A description of the nature of the company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

Further information is available on the company's websites:
<http://www.businesshunter.com>

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 September 2024. The directors have the power to amend and reissue the financial statements.

Hunter Business Chamber ('Business Hunter')
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

**BUSINESS
HUNTER**

	Note	2024 \$	2023 \$
Revenue	3	1,115,810	867,955
Interest revenue		33,689	18,318
Expenses			
Advertising and marketing expense		(11,666)	(7,893)
Consultants, governance, legal and professional expenses		(38,957)	(43,340)
Employee benefits expense		(454,484)	(450,741)
Events and training		(427,246)	(334,439)
Depreciation and amortisation expense	4,7	(816)	-
Finance and investment costs		(10,051)	(10,907)
Information technology expense		(17,477)	(14,847)
Motor vehicle expense		(21,622)	(18,335)
Rent, building and occupancy costs		(19,416)	(15,744)
Telecommunication expense		(3,508)	(2,868)
Travel and entertaining expense		(9,978)	(22,041)
Other expenses		(13,675)	(19,240)
Surplus/(deficit) before income tax expense		120,603	(54,122)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of Hunter Business Chamber		120,603	(54,122)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year attributable to the members of Hunter Business Chamber		<u>120,603</u>	<u>(54,122)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Hunter Business Chamber ('Business Hunter')
Statement of financial position
As at 30 June 2024

**BUSINESS
HUNTER**

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,040,936	900,767
Trade and other receivables	6	367,663	355,342
Prepayments		5,955	8,112
Total current assets		<u>1,414,554</u>	<u>1,264,221</u>
Non-current assets			
Property, plant and equipment	7	5,600	-
Total non-current assets		<u>5,600</u>	<u>-</u>
Total assets		<u>1,420,154</u>	<u>1,264,221</u>
Liabilities			
Current liabilities			
Trade and other payables	8	188,107	236,051
Contract liabilities and unearned income	9	489,937	426,209
Employee benefits		55,503	34,455
Total current liabilities		<u>733,547</u>	<u>696,715</u>
Non-current liabilities			
Contract liabilities and unearned income	9	-	7,455
Employee benefits		32,290	26,337
Total non-current liabilities		<u>32,290</u>	<u>33,792</u>
Total liabilities		<u>765,837</u>	<u>730,507</u>
Net assets		<u>654,317</u>	<u>533,714</u>
Equity			
Retained surpluses		<u>654,317</u>	<u>533,714</u>
Total equity		<u>654,317</u>	<u>533,714</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Hunter Business Chamber ('Business Hunter')
Statement of changes in equity
For the year ended 30 June 2024



	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	587,836	587,836
Deficit after income tax expense for the year	(54,122)	(54,122)
Other comprehensive income for the year, net of tax	-	-
	<u>(54,122)</u>	<u>(54,122)</u>
Total comprehensive loss for the year		
Balance at 30 June 2023	<u>533,714</u>	<u>533,714</u>
	Retained surpluses \$	Total equity \$
Balance at 1 July 2023	533,714	533,714
Surplus after income tax expense for the year	120,603	120,603
Other comprehensive income for the year, net of tax	-	-
	<u>120,603</u>	<u>120,603</u>
Total comprehensive income for the year		
Balance at 30 June 2024	<u>654,317</u>	<u>654,317</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Hunter Business Chamber ('Business Hunter')
Statement of cash flows
For the year ended 30 June 2024



	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,271,301	847,456
Payments to suppliers and employees (inclusive of GST)		<u>(1,158,405)</u>	<u>(935,338)</u>
Interest received		112,896	(87,882)
		<u>33,689</u>	<u>18,318</u>
Net cash from/(used in) operating activities	17	<u>146,585</u>	<u>(69,564)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	7	<u>(6,416)</u>	-
Net cash used in investing activities		<u>(6,416)</u>	-
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		140,169	(69,564)
Cash and cash equivalents at the beginning of the financial year		<u>900,767</u>	<u>970,331</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,040,936</u></u>	<u><u>900,767</u></u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASB') and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

These financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investments in cash managed trusts.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Fee for services and other related income

Fee for services, are recognised over time, on delivery of service in accordance with engagement letters or other relevant contracts or agreements.

Membership fees

Membership fees comprise annual subscriptions and are recognised over time as revenue on a monthly basis over the period of membership.

Events

Events revenue is recognised at a point in time, when the event has occurred.

Income tax

The company is a not-for-profit company which has self-assessed as income tax exempt in terms of sub-section 50-40 of the Income Tax Assessment Act 1997, as amended.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1. Material accounting policy information (continued)

Investments and other financial assets

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Employee benefits

Short-term employee benefits

Liabilities for employee benefits leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long-term employee benefits

Liabilities for employee benefits not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation guarantee contribution expense

Contributions to superannuation guarantee plans are expensed in the period in which they are incurred.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Comparatives

Comparatives have been realigned where necessary, to be consistent with the current year presentation. There was no effect on profit, net assets or equity.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2024. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

Amending accounting standards issued but not mandatory are not considered to have a significant impact on the financial statements of the company as they provide either clarification of existing accounting treatment or editorial amendments.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

Note 1. Material accounting policy information (continued)

These standards amend 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. 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. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified. The amendments are not expected to have any significant impact on the company's financial performance or financial position.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Revenue

	2024 \$	2023 \$
<i>Revenue from contracts with customers</i>		
Fee for service and other related income	38,025	38,996
Membership fees	470,562	407,686
Events	606,798	410,134
	<u>1,115,385</u>	<u>856,816</u>
<i>Other revenue</i>		
Other revenue	425	11,139
Revenue	<u><u>1,115,810</u></u>	<u><u>867,955</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2024 \$	2023 \$
<i>Geographical regions</i>		
Australia	<u>1,115,385</u>	<u>856,816</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	606,798	410,134
Services transferred over time	<u>508,587</u>	<u>446,682</u>
	<u><u>1,115,385</u></u>	<u><u>856,816</u></u>

Note 4. Expenses

	2024	2023
	\$	\$
Surplus/(deficit) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
ICT equipment	816	-
<i>Superannuation expense</i>		
Defined contribution superannuation expense	40,832	39,900

Note 5. Cash and cash equivalents

	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	334,489	220,767
Deposits at call	706,447	680,000
	<u>1,040,936</u>	<u>900,767</u>

Note 6. Trade and other receivables

	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	255,683	299,944
Receivable from NSW Business Chamber Limited	28,045	-
Other receivables	83,935	55,398
	<u>367,663</u>	<u>355,342</u>

Allowance for expected credit losses

The company has incurred an impairment of \$nil (2023: \$nil) in profit or loss in respect of impairment of receivables for the financial year ended 30 June 2024. No allowance has been made for expected credit losses because of this.

The ageing of the receivables are as follows:

	2024	2023
	\$	\$
Not overdue	121,544	246,432
30 - 90 days	95,837	48,100
90 days and over	38,302	5,412
	<u>255,683</u>	<u>299,944</u>

Note 7. Property, plant and equipment

	2024 \$	2023 \$
<i>Non-current assets</i>		
ICT Equipment - at cost	6,416	-
Less: Accumulated depreciation	(816)	-
	<u>5,600</u>	<u>-</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	ICT Equipment \$
Balance at 1 July 2022	-
Balance at 30 June 2023	-
Additions	6,416
Depreciation expense	(816)
Balance at 30 June 2024	<u>5,600</u>

Note 8. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	832	-
Amount due to NSW Business Chamber Limited	62,213	68,654
Accrued expenses	69,555	128,176
Other payables	55,507	39,221
	<u>188,107</u>	<u>236,051</u>

Refer to note 10 for further information on financial instruments.

Note 9. Contract liabilities and unearned income

	2024 \$	2023 \$
<i>Current liabilities</i>		
Contract liabilities	489,937	426,209
<i>Non-current liabilities</i>		
Contract liabilities	-	7,455
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	433,664	355,272
Payments received in advance	751,208	472,730
Transfer to revenue	(694,935)	(394,338)
Closing balance	489,937	433,664

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$489,937 as at 30 June 2024 (\$433,664 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	2024 \$	2023 \$
Within 6 months	170,188	151,602
6 to 12 months	319,749	274,607
12 to 18 months	-	7,455
	489,937	433,664

Note 10. Financial instruments

Financial risk management objectives

The company's activities expose it to interest rate risk, credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis for interest rate risk and regular review of trade receivables and ageing analysis for credit risk.

Risk management is carried out by the Chief Executive Officer ('CEO') and overseen, under policies approved by the Board of Directors. The Executive Committee and CEO identify and evaluate financial risks in co-operation with the NSW Business Chamber Limited. The Audit and Governance Committee and CEO provide written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Market risk

Foreign currency risk

The company does not have any assets or liabilities denominated in foreign currency.

Price risk

The company is not exposed to price risk.

Note 10. Financial instruments (continued)

Interest rate risk

The company's interest bearing assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

2024	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	<u>10,409</u>	<u>10,409</u>	100	<u>(10,409)</u>	<u>(10,409)</u>

2023	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	<u>9,008</u>	<u>9,008</u>	100	<u>(9,008)</u>	<u>(9,008)</u>

Credit risk

Credit risk arises from exposure to counterparties that may not meet their contractual obligations with the company. The company's exposure to credit risk primarily arises from its trade receivables.

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets, net of any expected credit losses, as disclosed in the statement of financial position and notes to the financial statements.

The company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the company based on recent sales experience, historical collection rates and forward-looking information that is available.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (where available).

	2024 \$	2023 \$
Credit quality of financial assets held at the reporting date, net of impairment:		
A-rated cash and cash equivalents	1,040,936	900,767
Trade receivables counterparties without credit rating		
Membership	182,461	112,104
Other	<u>101,267</u>	<u>187,840</u>
	<u>1,324,664</u>	<u>1,200,711</u>

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets mentioned above.

Liquidity risk

The company's liquidity risk arises from the risk that it will encounter difficulty in meeting its obligations associated with financial liabilities. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

Note 10. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities.

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2024					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	832	-	-	-	832
Amounts due to related party	62,213	-	-	-	62,213
Other payables	55,507	-	-	-	55,507
Total non-derivatives	<u>118,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,552</u>

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2023					
Non-derivatives					
<i>Non-interest bearing</i>					
Amounts due to related party	68,654	-	-	-	68,654
Other payables	39,221	-	-	-	39,221
Total non-derivatives	<u>107,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,875</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 11. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 12. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2024 \$	2023 \$
Short-term employee benefits	406,190	423,368
Post-employment benefits	<u>40,832</u>	<u>39,900</u>
	<u><u>447,022</u></u>	<u><u>463,268</u></u>

During the financial year, based on the Related Party Deed the company's key personnel management remuneration is partially recharged to NSW Business Chamber Limited. The amount recharged is \$271,258 (2023: \$260,458).

Note 13. Related party transactions

The company has negotiated a Related Party Deed ('Deed') with NSW Business Chamber Limited ('NSWBC'). As part of the Deed, the company receives various services from NSWBC throughout the financial year, including corporate administration, finance, company secretarial, treasury, payroll, human resources, information and communication technology, marketing, member services, member entitlements, policy and advocacy support. Further, the company is covered under NSWBC's insurance policies.

Note 13. Related party transactions (continued)

Provided the Strategic Plan and Budget for the company is approved each year during the term of the Deed by the respective Boards of the company and NSWBC as part of the annual business planning and budget cycle, NSWBC will be responsible for any operating deficit incurred by the company for the period of the approved Strategic Plan and Budget and will provide the Board of the company with a letter of comfort so as to provide the directors of the company the required level of protection.

Subject to the above paragraph, nothing in the Deed is intended to constitute a guarantee by NSWBC of all or any of the debts or obligations of the company to third parties and the company must not hold itself out as having NSWBC as a surety or guarantor of the liabilities of the company.

The company promotes a Member to Member Program, whereby members are encouraged to purchase each other's goods and services. As members of the company, the directors and their businesses participate in the program. All transactions between the directors and the company are no more favourable to either party than that which is available to members. The company also endeavours to purchase goods and services from members.

Parent entity

NSW Business Chamber Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

The following transactions occurred with related parties:

	2024	2023
	\$	\$
Provision to related party of goods and services:		
Sponsorship from NSWBC	23,194	25,301
NSWBC presidency honorarium payment to HBC	11,052	10,028
Less: Event profit sharing to NSWBC	(39,537)	(56,295)
Provision by related party of goods and services:		
Provision of management services by NSWBC	41,112	35,410

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2024	2023
	\$	\$
Current receivables:		
Trade receivables from NSWBC	28,045	-
Current payables:		
Trade payables to NSWBC	62,213	68,654

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions. The amount due to NSWBC is interest free, unsecured and payable within 30 days

Note 14. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	2024 \$	2023 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit of the financial statements	10,500	10,500

Note 15. Contingent liabilities

The company had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 16. Commitments

The company had no commitments as at 30 June 2024 and 30 June 2023.

Note 17. Reconciliation of surplus/(deficit) after income tax to net cash from/(used in) operating activities

	2024 \$	2023 \$
Surplus/(deficit) after income tax expense for the year	120,603	(54,122)
Adjustments for:		
Depreciation and amortisation	816	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(12,321)	(103,825)
Decrease/(increase) in prepayments	2,157	(4,703)
Decrease in trade and other payables	(47,944)	(5,968)
Increase in contract liabilities and unearned income	56,273	83,326
Increase in employee benefits	27,001	15,728
Net cash from/(used in) operating activities	146,585	(69,564)

Note 18. Events after the reporting period

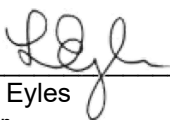
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards and associated regulations and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Lauren Eyles
Director



Glenn Thornton
Director

26 September 2024
Newcastle

INDEPENDENT AUDITOR'S REPORT

To the members of Hunter Business Chamber Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hunter Business Chamber Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

In our opinion the accompanying financial report of Hunter Business Chamber Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Company's annual report, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO



Stephen May
Director

Sydney, 26 September 2024