

# **Hunter Business Chamber ('Business Hunter')**

**ABN 96 083 977 459**

**Annual Report - 30 June 2023**

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 2023.

### **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  
Ashleigh Johns (appointed on 25 November 2022)  
Genelle Scotts (appointed on 14 November 2022)  
Peter Lawrence (appointed on 25 November 2022)  
Seamus Burke (appointed on 25 November 2022)  
James (Jim) Garis (resigned on 14 November 2022)  
Paul Tobin (resigned on 25 November 2022)  
Peter Gesling (resigned on 25 November 2022)  
Robyn (Dianne) Hamer (resigned on 25 November 2022)

### **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***

- Connect business to what they need in a COVID-19 recovery
- Connection and engagement with Business NSW and support for local Chambers in the region
- Strengthen Hunter First branding, membership and value proposition
- Grow the Hunter First membership and build a membership pipeline
- 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

#### ***Policy and advocacy***

As the preeminent regional business organisation, Business Hunter continues to develop, promote and advocate the interests of business on key regional issues.

#### ***Key strategy/measures***

- Develop and implement policy and project initiatives to drive regional economic growth
- Reinforce political engagement at federal and state levels
- 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 business community.

#### ***Key strategy/measures***

- Maintain a diverse range of events and networking programs that reflect the range of business size and sectors found within the membership.
- Rebuild 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 activity of the company continued to be the promotion and advocacy for the interests of business of the Hunter Region of NSW. This activity principally manifests through actions concerned with membership communication and engagement, hosting networking events, facilitating the provision of business-related products and services and ongoing policy and advocacy initiatives and representation.

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 Area Council for the Hunter Region.

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

### **Significant events**

The full year face to face events program was revived in 2022 however the Covid pandemic continued to have impacts on member businesses and the operations of Business Hunter. This along with persistent labour and workforce shortages impacted the decisions of businesses to patronize events which impacted the financial performance of the organisation. The organisation was forced to cancel or defer some events in late 2022 causing an impact on the budget. Notwithstanding this, Hunter First membership renewals remained stable and Directors sought to ensure contact, engagement and communication with members was maintained to minimise the financial impact of the Covid issues.

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.
- Connection and communication with the broader membership including local Chambers of Commerce.
- Promote and present a program of events including the Business Hunter Awards.
- Implement the marketing and communications plan in interests of members, advocacy and media relations and measure outcomes and delivery through analytics and activity progress.
- Engage with key federal, state and local decision makers through events and meetings.
- Active involvement with other key regional stakeholders on matters that promote growth and business development in the region.

#### **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; and
- Communication and connection with the broader membership and Local Chambers.

#### **Key external drivers**

- Government relations, strategies, policies and funding initiatives.
- Engagement with key regional organisations across policy and project priorities; and
- Hunter First member engagement, connection and communication to ensure continued relevance.



Information on directors



**Lauren Eyles**



**Glenn Thornton**



**Holly Martin**



**Tony Rhodes**



**Hennie Du Plooy**



**Natalie Mitchell**



**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 the Executive Manager Corporate Communication at Reflections Holiday Parks which operates 37 holiday parks throughout NSW. Lauren is passionate about the growth and success of the Hunter region and creating opportunities for the next generation. Lauren has held leadership roles with and led communication for the Port of Newcastle, Hunter Water and the Hunter Medical Research Institute. Lauren previously managed grant funding for the £321 million redevelopment of Great Ormond Street Children's Hospital in London. Lauren holds an MBA (Distinction), an arts communication degree, and qualifications in company directorship, project management, coaching and change management.
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 almost 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 of the Committee for the Hunter and representative of Business Hunter
Name:	Natalie Mitchell
Title:	Director
Qualifications:	Master of Commerce
Experience and expertise:	Natalie Mitchell is the Business NSW representative on the Business Hunter board and a director of both organisations. A Commerce graduate, Natalie is the founder of Capital Office Business Solutions, which provides advisory services to businesses in regional New South Wales. Natalie's career in business management includes accounting and finance roles with Arthur Andersen, AGL and Dairy Farmers and leading sales and software design and implementation teams in Tokyo, Singapore and Chicago. Natalie is passionate about promoting and developing businesses in regional Australia and chaired Business NSW's Regional Presidents' Forum. Natalie is a graduate of the Australian Institute of Company Directors.
Special responsibilities:	Director appointed by the NSWBC Ltd pursuant to the provisions of the Related Party Deed

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 870 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

Name: Ashleigh John  
Title: Director  
Qualifications: B.Comms., B.Law. GAICD  
Experience and expertise: Ashleigh John is a Solicitor and Director at Mullane & Lindsay Solicitors and chairs its Board. Ashleigh graduated from the AICD Company Directors course in 2021 and has a particular interest in supporting SMEs in Newcastle and the Hunter, particularly following the disruptions and challenges of 2020 and 2021. As a casual academic at the University of Newcastle, Ashleigh is also 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 Business Support Officer 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

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, 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	1	1
Glenn Thornton	5	6	11	11	-	-
Holly Martin	5	6	11	11	-	-
Tony Rhodes	3	6	10	11	1	1
Hennie du Plooy	6	6	-	-	-	-
Natalie Mitchell	2	6	-	-	-	-
Ashleigh John	3	3	-	-	-	-
Genelle Scotts	3	4	-	-	-	-
Seamus Burke	2	3	-	-	1	1
Peter Lawrence	3	3	-	-	1	1

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 \$15,800, based on 316 current voting members as at 30 June 2023.

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.

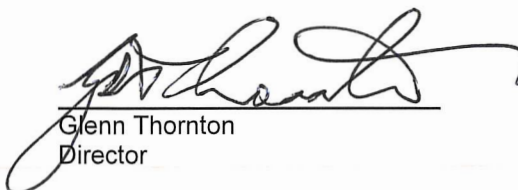
This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Lauren Eyles  
Director

19 September 2023  
Newcastle



Glenn Thornton  
Director



## **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 2023, 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.

**BDO Audit Pty Ltd**

BDO  


**Stephen May**  
*Director*

Sydney, 19 September 2023

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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 19 September 2023. 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 2023

**BUSINESS  
HUNTER**

	Note	2023 \$	2022 \$
<b>Revenue</b>	3	867,955	667,687
Interest revenue		18,318	513
<b>Expenses</b>			
Advertising and marketing expense		(7,893)	(1,639)
Consultants, governance, legal and professional expenses		(43,340)	(41,619)
Employee benefits expense		(450,741)	(364,290)
Events and training		(334,439)	(207,193)
Finance and investment costs		(10,907)	(8,457)
Information technology expense		(14,847)	(15,341)
Motor vehicle expense		(18,335)	(17,165)
Rent, building and occupancy costs		(15,744)	(19,920)
Telecommunication expense		(2,868)	(3,176)
Travel and entertaining expense		(22,041)	(5,319)
Other expenses		(19,240)	(13,269)
<b>Deficit before income tax expense</b>		(54,122)	(29,188)
Income tax expense		-	-
<b>Deficit after income tax expense for the year attributable to the members of Hunter Business Chamber</b>		(54,122)	(29,188)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the members of Hunter Business Chamber</b>		<u>(54,122)</u>	<u>(29,188)</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 2023

**BUSINESS  
HUNTER**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	900,767	970,331
Trade and other receivables	6	355,342	251,517
Prepayments		8,112	3,409
Total current assets		<u>1,264,221</u>	<u>1,225,257</u>
<b>Total assets</b>		<u>1,264,221</u>	<u>1,225,257</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	236,051	242,019
Contract liabilities and unearned income	8	426,209	347,817
Employee benefits		38,787	25,163
Total current liabilities		<u>701,047</u>	<u>614,999</u>
<b>Non-current liabilities</b>			
Contract liabilities	8	7,455	2,521
Employee benefits		22,005	19,901
Total non-current liabilities		<u>29,460</u>	<u>22,422</u>
<b>Total liabilities</b>		<u>730,507</u>	<u>637,421</u>
<b>Net assets</b>		<u>533,714</u>	<u>587,836</u>
<b>Equity</b>			
Retained surpluses		<u>533,714</u>	<u>587,836</u>
<b>Total equity</b>		<u>533,714</u>	<u>587,836</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 2023**

**BUSINESS  
HUNTER**

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	617,024	617,024
Deficit after income tax expense for the year	(29,188)	(29,188)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(29,188)	(29,188)
Balance at 30 June 2022	<u>587,836</u>	<u>587,836</u>
	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
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	-	-
Total comprehensive loss for the year	(54,122)	(54,122)
Balance at 30 June 2023	<u>533,714</u>	<u>533,714</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 2023**

**BUSINESS  
HUNTER**

	<b>Note</b>	<b>2023 \$</b>	<b>2022 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		836,317	745,975
Payments to suppliers and employees (inclusive of GST)		(935,338)	(668,604)
		(99,021)	77,371
Interest received		18,318	513
Other revenue		11,139	-
Net cash (used in)/from operating activities	16	(69,564)	77,884
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(69,564)	77,884
Cash and cash equivalents at the beginning of the financial year		970,331	892,447
Cash and cash equivalents at the end of the financial year	5	<u>900,767</u>	<u>970,331</u>

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



## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### *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.

#### *Other revenue*

Other revenue is recognised at the point in time when it is received or when the right to receive payment is established.

## **Note 1. Significant accounting policies (continued)**

### **Investment income**

Interest income from managed investments is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **Government grants**

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

### *Volunteer services*

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

### **Income tax**

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### **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.

### **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.



## **Note 1. Significant accounting policies (continued)**

### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

### *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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

### **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.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.



#### **Note 1. Significant accounting policies (continued)**

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

#### **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 2023. 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.

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**

	2023 \$	2022 \$
<i>Revenue from contracts with customers</i>		
Membership fees	407,686	349,458
Events	410,134	272,215
Fee for service and other related income	38,996	35,233
	<u>856,816</u>	<u>656,906</u>
<i>Other revenue</i>		
Other revenue	11,139	10,781
Revenue	<u>867,955</u>	<u>667,687</u>

*Disaggregation of revenue*

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

	2023 \$	2022 \$
<i>Geographical regions</i>		
Australia	<u>856,816</u>	<u>656,906</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	410,134	272,215
Services transferred over time	446,682	384,691
	<u>856,816</u>	<u>656,906</u>

**Note 4. Expenses**

	2023 \$	2022 \$
Deficit before income tax includes the following specific expenses:		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>39,900</u>	<u>39,296</u>

**Note 5. Current assets - cash and cash equivalents**

	2023 \$	2022 \$
Cash at bank	220,767	384,392
Deposits at call	<u>680,000</u>	<u>585,939</u>
	<u>900,767</u>	<u>970,331</u>

**Note 6. Current assets - trade and other receivables**

	2023 \$	2022 \$
Trade receivables	299,944	212,637
Receivable from NSW Business Chamber Limited	-	26,360
Other receivables	55,398	12,520
	<u>355,342</u>	<u>251,517</u>

*Allowance for expected credit losses*

The company has incurred an impairment of \$nil (2022: \$nil) in profit or loss in respect of impairment of receivables for the financial year ended 30 June 2023. No allowance has been made for expected credit losses because of this.

The ageing of the receivables are as follows:

	2023 \$	2022 \$
Not overdue	246,432	176,439
30 - 90 days	48,100	28,686
90 days and over	5,412	7,512
	<u>299,944</u>	<u>212,637</u>

**Note 7. Current liabilities - trade and other payables**

	2023 \$	2022 \$
Trade payables	-	4,290
Amount due to NSW Business Chamber Limited	68,654	106,457
Accrued expenses	128,176	85,615
Other payables	39,221	45,657
	<u>236,051</u>	<u>242,019</u>

Refer to note 9 for further information on financial instruments.

**Note 8. Current liabilities - contract liabilities and unearned income**

	2023 \$	2022 \$
Deferred revenue	<u>426,209</u>	<u>347,817</u>

*Reconciliation*

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

Opening balance	347,817	262,894
Payments received in advance	472,730	537,262
Transfer to revenue	<u>(394,338)</u>	<u>(452,339)</u>
Closing balance	<u>426,209</u>	<u>347,817</u>



**Note 8. Current liabilities - contract liabilities and unearned income (continued)**

*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 \$433,664 as at 30 June 2023 (\$350,338 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	2023 \$	2022 \$
Within 6 months	151,602	138,541
6 to 12 months	274,607	209,276
12 to 18 months	7,455	2,521
	<u>433,664</u>	<u>350,338</u>

**Note 9. 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.

*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.

	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
<b>2023</b>						
Cash and cash equivalents	100	<u>9,008</u>	<u>9,008</u>	100	<u>(9,008)</u>	<u>(9,008)</u>
	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
<b>2022</b>						
Cash and cash equivalents	100	<u>9,703</u>	<u>9,703</u>	100	<u>(9,703)</u>	<u>(9,703)</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.



**Note 9. Financial instruments (continued)**

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).

	2023 \$	2022 \$
Credit quality of financial assets held at the reporting date, net of impairment:		
A-rated cash and cash equivalents	900,767	970,331
Trade receivables counterparties without credit rating		
Membership	112,104	149,279
Other	187,840	63,358
	<u>1,200,711</u>	<u>1,182,968</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.

**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 \$
<b>2023</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	-	-	-	-	-
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>

**Note 9. Financial instruments (continued)**

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>2022</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	4,290	-	-	-	4,290
Amounts due to related party	106,457	-	-	-	106,457
Other payables	45,657	-	-	-	45,657
Total non-derivatives	156,404	-	-	-	156,404

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

**Note 10. 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 11. 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:

	<b>2023 \$</b>	<b>2022 \$</b>
Short-term employee benefits	423,368	392,963
Post-employment benefits	39,900	39,297
	<u>463,268</u>	<u>432,260</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 \$260,458 (2022: \$250,202).

**Note 12. 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.

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.

## Note 12. Related party transactions (continued)

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 11.

### *Transactions with related parties*

The following transactions occurred with related parties:

	2023 \$	2022 \$
Provision to related party of goods and services:		
Sponsorship from NSWBC	25,301	21,162
NSWBC presidency honorarium payment to HBC	10,028	10,329
Less: Event profit sharing to NSWBC	(56,295)	(51,281)
Provision by related party of goods and services:		
Provision of management services by NSWBC	35,410	33,749

### *Receivable from and payable to related parties*

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

	2023 \$	2022 \$
Current receivables:		
Trade receivables from NSWBC	-	26,360
Current payables:		
Trade payables to NSWBC	68,654	106,457

### *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 13. 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:

	2023 \$	2022 \$
Audit services - BDO Audit Pty Ltd		
Audit of the financial statements	10,500	10,000

## Note 14. Contingent liabilities

The company had no contingent liabilities as at 30 June 2023 and 30 June 2022.

**Note 15. Commitments**

The company had no commitments as at 30 June 2023 and 30 June 2022.

**Note 16. Reconciliation of deficit after income tax to net cash (used in)/from operating activities**

	<b>2023</b> \$	<b>2022</b> \$
Deficit after income tax expense for the year	(54,122)	(29,188)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(103,825)	(75,925)
Increase in prepayments	(4,703)	(133)
(Decrease)/increase in trade and other payables	(5,968)	79,437
Increase in contract liabilities and unearned income	83,326	87,444
Increase in employee benefits	15,728	16,249
Net cash (used in)/from operating activities	<u>(69,564)</u>	<u>77,884</u>

**Note 17. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 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 2023 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

19 September 2023  
Newcastle



Glenn Thornton  
Director

## 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 2023, 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 a summary of significant accounting policies, 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 2023 and of its financial performance for the year then ended; 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 and fair presentation of the financial report 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 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 have 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'S May', is written over a small, faint BDO logo.

Stephen May  
Director

Sydney, 19 September 2023