

Hunter Business Chamber

ABN 96 083 977 459

(A Company limited by guarantee)

Annual Report – 30 June 2019

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Hunter Business Chamber

Directors' Report For the year ended 30 June 2019

Your Directors present their report on Hunter Business Chamber ("the Company") for the financial year ended 30 June 2019.

Directors

The following persons were Directors of the Company since the start of the financial year to the date of this report, unless otherwise stated:

Geoffrey Crowe

Peter Gesling

Ian Penfold

Narelle Redman

Jonathan Vandervoort

Stephanus du Plooy (appointed on 23 October 2018)

Lauren Eyles (appointed on 23 October 2018)

Jane Moran (appointed on 23 October 2018)

Anthony Rhodes (appointed on 23 November 2018)

James Garis was (appointed on 26 February 2019)

Richard Anicich AM (resigned on 2 November 2018)

Gillian Geraghty (resigned on 2 November 2018)

Sharon Smith (resigned on 2 November 2018)

Alan (Ross) Taggart (resigned on 2 November 2018)

Gillian Maxlow (appointed on 21 September 2018 and resigned on 23 January 2019)

Principal Activities

The principal activities of the Company during the course of the year were to continue to develop, promote and advocate for the interests of business of the Hunter Region of NSW. This activity principally manifests through actions concerned with membership engagement, hosting networking events, facilitating the provision of business related products and services and ongoing policy and advocacy initiatives and representation.

The Company acts as an exclusive agent for the purpose of promotion and sale of NSW Business Chamber Limited membership, products and services in the Hunter Region of NSW. 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 activity.

Company Secretary

Sharon Smith ceased to be company secretary on 2 November 2018 and Robert (Bob) Hawes was appointed on 23 October 2018 and currently holds the position.

Hunter Business Chamber

Directors' Report

For the year ended 30 June 2019

Short and Long Term Objectives

Category	Objectives	Key Measures
Members	In response to member needs, maximise relevance and engagement in Chamber services by providing quality events, access to advice and value adding products and services	<ul style="list-style-type: none">• Grow the membership; increase patronage and participation at events; and increase subscription and use of products and services• Increase membership retention• Expand the Chamber Alliance Partner program and local chamber engagement• Increase participation and influence in key policy, project and advocacy realms
Policy and Advocacy	As the preeminent regional business organisation, the Chamber will continue to develop, promote and advocate the interests of business on key regional issues	<ul style="list-style-type: none">• Develop and implement policy and project initiatives to drive region economic growth.• Reinforce political engagement at federal and state levels following the 2019 elections• Strengthen and fortify our position as the business voice of first choice in the Hunter• Lead ongoing collaboration with key allies throughout the region
Events	Deliver an events program which responds to the education, information and networking objectives of member organisations and the wider business community	<ul style="list-style-type: none">• Maintain a diverse range of events and networking programs that reflect the range of business size and sectors found within the membership• Improve the event patronage by continually assessing the relevance of the program• Promote and conduct business excellence awards that engage the local Chambers and link to through to the State program

Hunter Business Chamber

Directors' Report For the year ended 30 June 2019

Performance Measurement

The Company's performance is constantly measured against the following key performance indicators:

Outcomes for year ended 30 June 2019 – Key Performance Indicators

- Expanding the membership base.
- Conducting a program of events including Business Development Forums, Business Mining and Infrastructure series, My Business Your Business networking, Business Awards and Hunter First events including the CEO Connect series.
- Hosting relevant seminars and workshops that address pertinent issues to business and seek to identify ways they can improve their bottom line.
- Producing effective communications (newsletters, EDMs) that are engaging and relevant to members.
- Engagement with key federal, state and local decision makers through events, strategic advocacy and meetings.
- Identify and respond to key advocacy priorities across the region.
- Promoting strategies to grow the visitor economy.
- Development of and involvement with thought leadership relevant to promoting the business interests in the Hunter region.
- Identify and implement action to implement at least one thought Leadership issue.

Key Internal and External Drivers

Internal

- Participating in the development of and assimilating outcomes of NSWBC 'New Chamber' initiatives across membership, engagement and branding.
- Relationship building with the NSWBC.
- Ensure organisational structure and responsibilities are effective and meet organisational and member needs.
- Communication and engagement with Local chambers to facilitate improved relationships.

External

- Assess and assimilate the regional impacts of strategy, plans, policy and funding initiatives from Federal, State and local government.
- Engagement with key external organisations across policy and project priorities.
- Hunter First member engagement to ensure continued relevance.
- Local chamber relationship building to drive growth in Chamber Alliance Program take-up.

Hunter Business Chamber

Directors' Report For the year ended 30 June 2019

Operating Results

The Company recorded a profit of \$12,114 for the year (2018: loss of \$13,980).

Significant Changes in State of Affairs

There were no significant changes to the state of affairs during the year.

Matters subsequent to the end of the financial year

In the opinion of Director's, no matter, circumstance or event of a material or unusual nature has arisen since 30 June 2019 that have significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

Future Developments

The Company is and will continue to be participating and facilitating the delivery and incorporation into its activities the initiatives under the 'New Chamber' banner as developed by the NSWBC. These initiatives encompass potential changes to the membership, branding, products and service offerings of the NSWBC. As a consequence, this may result in changes to the Company's present status and level of operations which may have an impact in future financial years.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Insurance of Officers

During the financial year, NSW Business Chamber paid a premium under contract to insure Directors, Councillors and all executive officers of the Company and related bodies corporate, including the Hunter Business Chamber. Disclosure of the premium payable, and a summary of the nature of liability covered by the insurance contract, is prohibited by a confidentiality clause in the contract.

Proceedings on Behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

Whilst the Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important, to date, the auditor has not been engaged in any non-audit services.

Auditors Independence Declaration

A copy of the Auditors Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on Page 11.

Auditor

PricewaterhouseCoopers was appointed auditor and continues in office in accordance with Section 327 of the *Corporations Act 2001*.

Information on Directors

Hunter Business Chamber

Directors' Report

For the year ended 30 June 2019

Name:	Stephanus du Plooy
Title:	President
Qualification:	B.Eng, B.Com, GAICD
Experience and expertise:	In 2011, Hennie was appointed the Chief Executive Officer of Port Waratah Coal Services. Hennie has led the organisation through periods of strong growth and expansion as well as a material downturn in the coal industry requiring adaptability to costs pressures and customer demand for efficiencies. Hennie has a strong track record of positive community engagement and during his term as CEO, the organisation has achieved a number of significant awards recognising positive advances in community engagement and sustainability practises.
Special responsibilities:	Executive Committee chair, Audit and Governance and Nominations committee member since November 2018
Name:	Anthony Rhodes
Title:	Senior Vice President
Experience and expertise:	Tony is a licensed plumber and having commenced work as an apprentice in 1979 at H.L. Mullane, purchased the company from the Mullane family in 1999 and continues to be actively involved in the business. He also has an interest in a small electrical business and a hydraulic design consultancy. Tony is a Past President of both Newcastle Rotary Club and Newcastle Master Builders Association and have served on advisory boards for SIDS and RIDBC.
Special responsibilities:	Executive Committee and Audit and Governance committee member since November 2018
Name:	Jane Moran
Title:	Vice President
Qualification:	BEng, MIEAust, GAICD
Experience and expertise:	As Aurecon's Newcastle Manager Jane leads a team of 70 engineering consultants and has lead Aurecon's growth strategy in the Hunter region since January 2018. Jane is a civil engineer with experience in city shaping infrastructure projects such as Newcastle Light Rail, Wickham Transport Interchange and the University's New Space building. She is currently also project managing the final leg of the Newcastle Inner City Bypass. Jane is a Member of Engineers Australia, a Graduate of the Australian Institute of Company Directors, sits on the Water Polo Australia Board, an Olympic bronze medallist and was named one of six Young Executives of the Year in the 2018 Australian Financial Review BOSS awards.
Special responsibilities:	Executive Committee member since November 2018

Hunter Business Chamber

Directors' Report

For the year ended 30 June 2019

Name: Jonathan Vandervoort
Title: Immediate Past President
Qualification: BCom, GAICD, FCPA, FAIMA
Experience and expertise: Jonathan joined Australian Rail Track Corporation (ARTC) in January 2015. He is currently the Group Executive Hunter Valley. Jonathan has been involved in the Australian coal mining industry for over thirty years. For twelve years before joining ARTC Jonathan was instrumental in developing NSW's coal infrastructure network, including two years as Executive General Manager Infrastructure at Whitehaven Coal, five years as the founding Chief Executive Officer of Hunter Valley Coal Chain Coordinator and five years at Port Waratah Coal Services. Jonathan continues as Director of the Hunter Valley Coal Chain Coordinator and is a past Director of the Newcastle Coal Infrastructure Group. He is a Fellow of Australian Institute of Management and CPA Australia and a Graduate of the Australian Institute of Company Directors. Jonathan has been a Director of the Chamber since 2010.
Special responsibilities: Executive Committee member and up to November 2018 Audit and Governance and Nominations committee member

Name: Geoffrey Crowe
Title: Director
Qualification: BCom, GAICD, FCPA
Experience and expertise: Geoff worked at Port of Newcastle as Chief Executive Officer from July 2015 to June 2019. He continues to support strongly the work he started in the Hunter region and the opportunity the port represents in the growth of all trades emphasised by a strong diversification strategy. He has extensive experience in the Hunter region's coal mining sector, having held senior leadership roles with Port Waratah Coal Services and a number of mining companies. Geoff played a key role in developing the Long Term Commercial Framework with industry whilst at Port Waratah and also served as a Director of the Hunter Valley Coal Chain Coordinator. Geoff is chair of the UoN Faculty Advisory Board Business and Law and has been a director of the Hunter Business Chamber since 2016.
Special responsibilities: Audit and Governance committee Chair since November 2018 and Nominations Committee member.

Hunter Business Chamber

Directors' Report

For the year ended 30 June 2019

Name: Lauren Eyles
Title: Director
Qualification: BA Communication, GAICD
Experience and expertise: Lauren is a Graduate of the Australian Institute of Company Directors and has held leadership roles within the utilities, ports, health and medical research sectors, contributing to the strategic direction and growth of nationally significant assets. As Head of Public Affairs for Hunter Water, Lauren leads media and government relations. Previous roles include Executive Manager Communication for the Port of Newcastle and Communications Manager for the Hunter Medical Research Institute.

Name: James Garis
Title: Director
Qualification: B Com, ACA
Experience and expertise: Jim founded the Garis Group in Hamilton over 25 years ago with a focus then on tax advice, diversifying over the years to focus on small business growth strategies, tax strategies, superannuation and wealth creation strategies. Throughout the years The Garis Group has remained a professional family owned and operated financial services firm. The business has grown and clients are located throughout Australia. Jim is treasurer of the Hamilton Chamber of Commerce, Deputy Chairman of The Newcastle Tourism Industry Group, committee member of The Newcastle Business Club, life member of Merewether Carlton Rugby Club and a strong supporter of Business for Good.
Special responsibilities: Chamber Alliance Partner Program representative

Name: Peter Gesling
Title: Director
Qualification: M Bus, B Eng. (Civil), A Dip Town Planning, FAICD, FIE Aust., FAIM
Experience and expertise: Peter is self-employed as a Director, facilitator, trainer and mentor. He is Chair of Newcastle Airport, Director of Hunter Region Botanic Gardens, and has accreditation in several career development products. He has worked as a Senior Executive in Local Government with over 20 years at Port Stephens Council. During his career, Peter has gained extensive experience as a non-executive Director on 'not-for-profit', community, public and private boards in a range of industry sectors. These have included aviation, community arts, community services, economic development, education, engineering, environmental, government, heritage, humanitarian, investment, land development, legal, records management, tourism and waste sectors. Peter has been a director of the Hunter Business Chamber since 2016.
Special responsibilities: Nominations committee Chair from November 2018

Hunter Business Chamber

Directors' Report

For the year ended 30 June 2019

Name: Ian Penfold
Title: Director
Qualification: FAICD
Experience and expertise: Ian was appointed to the Board of Australian Chamber of Commerce and Industry in 2007. He is a Past President of NSW Business Chamber and has been a councillor since 1997. Ian is a former Chairman and Managing Director of Speedo Australia, and Chairman and President of Pentland Australia, which in addition to Speedo, owned the license for other international brands including Lacoste and Ellesse. He is also a former Managing Director of Cork International, a leading consumer products business with international brands and of Charles Parsons and Company Pty Ltd, a major subsidiary of the Charles Parsons Group - a multi-faceted supplier and converter of textile products in Australia. He was also Chairman of Australian Business Lawyers and Advisors and Defence Reserves Support Council Sydney Metropolitan Regional Chairman and Committee Member. Ian is also a member of the Corrective Industries Consultative Committee. Ian has been a Director of Hunter Business Chamber since 2012.
Special responsibilities: Director appointed by the NSWBC pursuant to the provisions of the Related Party Deed

Name: Narelle Redman
Title: Director
Qualification: FAICD
Experience and expertise: Narelle is a Director of Silveradoh Promotional Products based in Cardiff and operated in small businesses for over 25 years. Narelle has been extensively involved in local Chambers of Commerce. Over the past 13 years, Narelle has held the positions of Secretary at Warners Bay Chamber, President of Business Charlestown Chamber and a Director of Lake Macquarie Business. She has been a committee member of HBC Business Development Forum for the past 12 years. In 2014, Narelle was awarded the Lake Macquarie Business Person of the Year. Narelle has been a director of the Hunter Business Chamber since 2016.

Hunter Business Chamber

Directors' Report For the year ended 30 June 2019

Meetings of Directors

Following the director election in October 2018, the board committees were reappointed. The following table reflects roles before and after the appointments were confirmed in November 2018 (see notes below).

The number of meetings of the company's Board of Directors ('the Board') and of each Board Committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Committees							
	Board (1)		Executive (2)		Audit & Governance (3)		Nomination (4)	
A - attended E – eligible to attend	A	E	A	E	A	E	A	E
Richard Anicich AM	2	2	-	-	2	2	2	2
Geoffrey Crowe	7	7	-	-	-	-	2	2
Stephanus du Plooy	5	5	3	4	-	-	-	-
Lauren Eyles	5	5	-	-	-	-	-	-
James Garis	1	2	-	-	-	-	-	-
Gillian Geraghty	1	2	4	4	-	-	-	-
Peter Gesling	7	7	-	-	-	-	-	-
Gillian Maxlow	3	3	-	-	-	-	-	-
Jane Moran	5	5	4	4	-	-	-	-
Ian Penfold	5	7	-	-	-	-	-	-
Narelle Redman	6	7	-	-	-	-	-	-
Anthony Rhodes	3	5	3	4	-	-	-	-
Sharon Smith	1	2	2	4	1	2	-	-
Alan 'Ross' Taggart	2	2	3	4	-	-	-	-
Jonathan Vandervoort	5	7	7	8	2	2	2	2

Notes:

- (1) The Board met twice between 1 July 2018 and 23 October 2018 and 5 times from November to 30 June 2019
- (2) The Executive met four times between 1 July 2018 and 23 October 2018 and 5 times from November to 30 June 2019
- (3) The Committee met twice between 1 July 2018 and 23 October 2018 and did not meet between November and 30 June 2019.
- (4) The Committee met twice between 1 July 2018 and 23 October 2018 and did not meet between November and 30 June 2019.

Hunter Business Chamber

Directors' Report For the year ended 30 June 2019

Members Liability

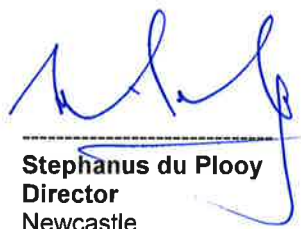
Every voting member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up during the time that they were a voting member, or within one year afterwards, for payment of the liabilities of the Company contracted before the time at which they cease to be a voting member, to the expenses of winding up the Company, and for the adjustment of the rights of the contributors among themselves, with such amount as may be required not exceeding \$50.

	2019	2018
Number of voting members	564	650
Number of non-voting members	1,466	1,338
Total number of members	2,030	1,988

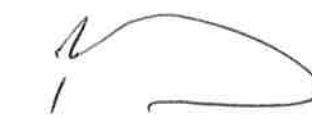
Directors and Executive Officers Emoluments

Since the previous financial year no Director of the Company has received, or is entitled to receive, any benefit, emoluments or the fixed salary as a full-time employee of the Company or a related entity or by reason of a contract made by the Company or a related entity with a Director or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest.

Signed in accordance with a resolution of Directors.



Stephanus du Plooy
Director
Newcastle



Anthony Rhodes
Director
Newcastle

27 September 2019



Auditor's Independence Declaration

As lead auditor for the audit of Hunter Business Chamber Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'J McElvogue', written in a cursive style.

James McElvogue
Partner
PricewaterhouseCoopers

Sydney
27 September 2019

PricewaterhouseCoopers, ABN 52 780 433 757

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Hunter Business Chamber

ABN 96 083 977 459

(A Company limited by guarantee)

Annual Financial Report – 30 June 2019

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These financial statements cover Hunter Business Chamber. These financial statements are presented in Australian currency.

Hunter Business Chamber is a Company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Hunter Business Chamber
Suite 1, Level 1
165 Lambton Road
Broadmeadow NSW 2292

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the Directors' Report which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 27 September 2019. The directors have the power to amend and reissue the financial statements.

Hunter Business Chamber

Statement of Comprehensive Income For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue			
Sales revenue	3	691,499	705,455
Other income	4	26,758	9,665
Total income		<u>718,257</u>	<u>715,120</u>
Expenses			
Employee expenses	5	(330,535)	(322,572)
Event expenses		(187,973)	(195,517)
Marketing and advertising expenses		-	(2,000)
Finance, HR, payroll and member entitlements		(18,837)	(18,120)
Information technology expenses		(9,406)	(11,318)
Communication expenses		(4,154)	(4,650)
Consultants & contractors services		(45,458)	(3,300)
Entertainment		(4,737)	(2,088)
Recruitment		(15,753)	-
Auditing and other services		(10,300)	(14,000)
Motor vehicles		(16,472)	(18,988)
Depreciation	5	-	(13,980)
Commercial products		(13,452)	(17,899)
Other expenses from ordinary activities		(49,066)	(104,668)
Total expenditure	5	<u>(706,143)</u>	<u>(729,100)</u>
Profit before income tax expense		12,114	(13,980)
Income tax expense		-	-
Profit attributable to members of Hunter Business Chamber	12	<u>12,114</u>	<u>(13,980)</u>
Other Comprehensive Income for the year, net of tax	12	-	-
Total comprehensive income for the year		<u>12,114</u>	<u>(13,980)</u>
Total comprehensive income/ (Loss) for the year is attributable to:			
Members of Hunter Business Chamber		<u>12,114</u>	<u>(13,980)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Hunter Business Chamber

Statement of Financial Position As at 30 June 2019

	Notes	2019 \$	2018 \$
Assets			
Current Assets			
Cash and cash equivalents	6	924,761	947,161
Trade and other receivables	7	56,392	47,685
Total current assets		<u>981,153</u>	<u>994,846</u>
Non-current Assets			
Plant, property and equipment	8	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>981,153</u>	<u>994,846</u>
Liabilities			
Current liabilities			
Trade and other payables	9	404,386	438,013
Provisions	10	11,639	7,135
Total current liabilities		<u>416,025</u>	<u>445,148</u>
Non-current liabilities			
Provisions	11	4,949	1,634
Total non-current liabilities		<u>4,949</u>	<u>1,634</u>
Total liabilities		<u>420,975</u>	<u>446,782</u>
Net assets		<u>560,178</u>	<u>548,064</u>
Equity			
Retained earnings	12	560,178	548,064
Total equity		<u>560,178</u>	<u>548,064</u>

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

Hunter Business Chamber

Statement of Changes in Equity For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Retained earnings at the beginning of the financial year		548,064	562,044
Profit/ (Loss) for the year	12	12,114	(13,980)
Other comprehensive income	12	-	-
Retained earnings at the end of the financial year		<u>560,178</u>	<u>548,064</u>

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

Hunter Business Chamber

Statement of Cash Flows For the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		<u>753,837</u>	<u>827,092</u>
		753,837	827,092
Payments to suppliers and employees		<u>(802,997)</u>	<u>(667,464)</u>
Net cash inflow from operating activities	13	<u>(49,160)</u>	<u>159,628</u>
Cash flows from investing activities			
Interest received		<u>26,758</u>	<u>9,665</u>
Net cash inflow from investing activities		<u>26,758</u>	<u>9,665</u>
Net (decrease)/ increase in cash held		(22,402)	169,292
Cash at the beginning of the financial year		<u>947,161</u>	<u>777,869</u>
Cash at the end of the financial year	6	<u>924,761</u>	<u>947,161</u>

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

Hunter Business Chamber

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Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Hunter Business Chamber ("the Company").

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 consolidated entity.

The following new, revised or amending Accounting Standards and Interpretations are most relevant to the Company:

AASB 9 Financial Instruments

The Company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated.

The financial impact of adoption on opening retained profits as at 1 July 2018 was nil. The disclosure of certain items has been impacted as follows:

- Interest revenue is now presented on the face of the profit or loss; and
- Provision for doubtful debts is now reclassified as allowance for expected credit losses

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Historical cost convention

These financial statements are prepared on an accruals basis under the historical cost convention. Unless stated otherwise the accounting policies described below are consistent with those applied in the prior year. Comparative information is reclassified where appropriate to enhance comparability.

Future Australian Accounting Standards Requirements

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the organisation. The Company's assessment of the impact of these new standards and interpretations that are relevant and applicable to the Company are set out below.

AASB 15 Revenue from Contracts with Customers

Nature of change

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

Impact

Management is currently assessing the effects of applying the new standard on the Company's financial statements and has identified the following areas that are likely to be affected:

- the application of AASB 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue on membership fees
- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under AASB 15, and

Mandatory application date / Date of adoption by the Company

Mandatory for financial years commencing on or after 1 January 2019.

Expected date of adoption by the Company: 1 July 2019.

(b) Foreign currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

- (i) Membership fees comprise annual subscriptions for the year and are recognised as revenue on a monthly basis over the period of membership;
- (ii) Member functions revenue is brought to account when the service is provided;
- (iii) Other revenue is brought to account when the service is provided;
- (iv) Interest income is recognised when earned;
- (v) Rental revenue is brought to account when the service is provided;

Hunter Business Chamber
Notes to the Financial Statements
For the year ended 30 June 2019

(d) Contributions

Contributions from the government are recognised as revenue at their fair value where there is reasonable assurance that the grant will be received and can be measured reliably.

(e) Income Tax

The Company is a not-for-profit association and is exempt from income tax under section 50.10 of the *Income Tax Assessment Act 1997*.

(f) Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(g) Impairment of assets

Assets are reviewed for impairment annually, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows for other assets or groups of assets (cash generating units).

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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. There are no restrictions on cash balances held at 30 June 2019 (2018: \$Nil).

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. Trade receivables are due for settlement 30 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

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.

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

(j) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, or in the case of leasehold improvements, the shorter lease term as follows:

	Useful life
Furniture, fixtures and equipment	2 - 10 years
Leasehold Improvements	9 years

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. 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 end of the reporting period on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Defined Contribution Superannuation expense

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

(n) Goods and Services Tax (GST)

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

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 taxation authority is included with other receivables or 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 Australian Taxation Office, are presented as operating cash flows.

(o) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make certain 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 were no material critical judgements and estimate involved that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Note 2. Financial Risk Management

The Company's activities expose it to 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 regular review of trade receivables 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 & Finance Committee and CEO identify and evaluate financial risks in co-operation with the NSW Business Chamber. The Audit 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.

The Company has no substantial financial assets or liabilities that are exposed to interest rate risk.

(a) Managing Capital

The Company invests excess cash in term deposits with banks and financial institutions that have a minimum credit rating of 'BBB' or better. The intention is to earn a competitive return on the funds while minimising risk. Consideration is given to the rate of return and term, taking into account liquidity requirements.

(b) 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 provisions for impairment, as disclosed in the Statement of Financial Position and notes to the financial statements.

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).

Hunter Business Chamber

Notes to the Financial Statements For the year ended 30 June 2019

Note 2. Financial Risk Management (continued)

Trade receivables

(Counterparties without external credit rating)

- Membership	771	3,715
- Other	46,420	13,904
Total trade receivables	47,191	17,619

Cash at bank

- Westpac (Rated Aa3 by Moody's Investors Service, Inc)	356,733	401,565
	356,733	401,565

Deposits at call

- National Australia Bank Limited (Rated Aa3 by Moody's Investors Service, Inc)	567,179	544,968
	567,179	544,968

(c) 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.

The table below shows the contractual maturity of undiscounted cash flow of the Company's financial liabilities.

Financial Liabilities	Less than 12 months \$	Between 1 and 5 years \$	Over 5 years \$	Total contractual cashflows \$	Carrying amount \$
As at 30 June 2019					
Trade and other payables	161,740	-	-	161,740	161,740
Lease commitments	-	-	-	-	-
	161,740	-	-	161,740	161,740
As at 30 June 2018					
Trade and other payables	193,184	-	-	193,184	193,184
Lease commitments	-	-	-	-	-
	193,184	-	-	193,184	193,184

(d) Fair Value

The carrying amount of financial assets and financial liabilities are approximate to their fair value due to their short-term nature.

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

	2019 \$	2018 \$
Note 3. Sales revenue		
Membership fees	347,266	280,542
Events	295,842	284,535
Sponsorship from NSW Business Chamber Limited	33,523	133,934
Other revenue	14,868	6,444
	<u>691,499</u>	<u>705,455</u>
Note 4. Other income		
Interest income	26,758	9,665
	<u>26,758</u>	<u>9,665</u>
Note 5. Expenses		
Profit/ (loss) before income tax includes the following specific expenses:		
Depreciation expense		
- property, plant and equipment	-	13,980
Total depreciation	<u>-</u>	<u>13,980</u>
Commercial Products	<u>13,452</u>	<u>17,899</u>
Employee expenses		
- salaries	298,148	349,910
- superannuation	29,192	22,406
- others	3,195	(49,744)
	<u>330,535</u>	<u>322,572</u>

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Note 6. Current assets - cash and cash equivalents

Cash at bank and in hand	357,582	402,193
Deposits at call	567,179	544,968
	<u>924,761</u>	<u>947,161</u>

Note 7. Current assets - trade and other receivables

Trade receivables	47,191	17,619
Allowance for expected credit losses	(110)	(110)
	<u>47,081</u>	<u>17,509</u>

Prepayments	9,311	4,613
Other receivables	-	25,562
	<u>56,392</u>	<u>47,685</u>

Ageing analysis of trade receivables that are past due		
0 - 30 days	46,104	10,244
30 - 90 days*	316	380
90 days plus*	661	6,885
Total	<u>47,081</u>	<u>17,509</u>

Trade receivables past due but not considered impaired *	<u>977</u>	<u>7,265</u>
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* Past due but not impaired. Within the 30-90 days and 90 days plus ageing categories there are a number of members who choose to pay their subscription by the month rather than 12 months in advance, and these relate to a number of independent customers for whom there is no recent history of default.

Movement of allowance for expected credit losses in trade receivables

Opening balance	-	-
Change to profit or loss	110	110
Closing balance	<u>110</u>	<u>110</u>

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Note 8. Non-current assets - plant, property and equipment

	Leasehold Improvements	Furniture, fittings & equipment	Total
Year ended 30 June 2018			
Opening net book amount	12,379	1,601	13,980
Depreciation charge	(12,379)	(1,601)	(13,980)
Closing net book amount	-	-	-
At 30 June 2018			
Cost	297,094	59,422	356,516
Accumulated depreciation	(297,094)	(59,422)	(356,516)
Net book amount	-	-	-
Year ended 30 June 2019			
Opening net book amount	-	-	-
Depreciation charge	-	-	-
Closing net book amount	-	-	-
At 30 June 2019			
Cost	297,094	59,422	356,516
Accumulated depreciation	(297,094)	(59,422)	(356,516)
Net book amount	-	-	-

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

	2019 \$	2018 \$
Note 9. Current liabilities - trade and other payables		
Trade payables	9,602	495
Unearned income	242,645	244,828
Goods & services tax	4,967	14,354
Amount due to NSW Business Chamber*	100,277	157,872
Other payables	46,894	20,463
	<u>404,386</u>	<u>438,013</u>

*The amount due to NSW Business Chamber is interest free, unsecured and payable within 30 days.

Note 10. Current Liabilities - provisions		
Employee benefits	11,639	7,135
	<u>11,639</u>	<u>7,135</u>

Note 11. Non-current Liabilities - provisions		
Employee benefits	4,949	1,634
	<u>4,949</u>	<u>1,634</u>

Note 12. Retained earnings		
Movement in retained profits is as follows:		
Balance at the beginning of the financial year	548,064	562,044
Profit/ (Loss) for the year	12,114	(13,980)
Other comprehensive income for the year	-	-
Balance at the end of the financial year	<u>560,178</u>	<u>548,064</u>

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

	2019 \$	2018 \$
Note 13. Reconciliation of loss after income tax expense to net cash inflow from operating activities		
Profit/ (Loss) for the year / period	12,114	(13,980)
Non-cash adjustments		
Depreciation	-	13,980
Interest income	(26,758)	(9,665)
Operating Profit/(Loss) before working capital	<u>(14,644)</u>	<u>(9,665)</u>
Change in assets and liabilities		
(Increase)/Decrease in trade receivables	(29,572)	45,160
Decrease/(Increase) in prepayments and other receivables	20,864	(17,544)
(Decrease)/Increase in payables	(33,627)	151,882
Increase/(Decrease) in provision for employee entitlements	7,819	(10,205)
Net cash (outflow)/inflow from operations	<u>(49,160)</u>	<u>159,628</u>

Note 14. Lease Commitments

There is no lease commitment as at the financial year end (2018: nil).

Note 15. Key management personnel

Short term employee benefits	307,281	351,462
Post-employment benefits	29,192	22,406
	<u>336,473</u>	<u>373,868</u>

During the year, based on the Related Party Deed the Company's Key Personnel Management remuneration is partially recharged to NSWBC. The amount recharged is \$192,401 (2018:\$126,473).

Note 16. Remuneration of auditors

Assurance services		
Audit services		
PricewaterhouseCoopers Australian firm:		
Audit of financial reports	10,300	14,000
	<u>10,300</u>	<u>14,000</u>

Hunter Business Chamber

Notes to the Financial Statements

For the year ended 30 June 2019

Note 17. Contingent Liabilities

The Directors are not aware of any contingent liabilities that arose during the course of or since the end of the financial year.

Note 18. Related Party Disclosures

The Company renegotiated the Related Party Deed (Deed) with NSW Business Chamber (NSWBC), effective 1 December 2016. As part of the Deed, the Company received various services from NSWBC throughout the 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.

The Company promotes a Member to Member Program, whereby members are encouraged to purchase each others' goods and services. As members of the Company, the Directors and their businesses participate in the program. All transactions between the Directors and the Chamber 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.

The related party balances which remained outstanding at the financial year end are disclosed in the Statement of Financial Position and notes to the financial statements. Related Party transactions have been entered, in the normal course of business in agreed terms and prices. The significant Related Party Transactions are as below:

	2019 \$	2018 \$
Revenue		
Sponsorship from NSW Business Chamber Limited	33,523	133,934
Event profit sharing to NSWBC	(42,974)	(26,145)
	<u>(9,451)</u>	<u>107,789</u>
Expenses		
Management fee provided by NSWBC	52,414	87,996
Workplace advice line & award servicing	18,837	18,120
ABI membership fees	2,912	2,911
	<u>74,163</u>	<u>109,027</u>

Hunter Business Chamber
Notes to the Financial Statements
For the year ended 30 June 2019

Note 19. Events occurring after the reporting period

No matter, circumstance or event of a material or unusual nature has arisen since 30 June 2019 that have significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

Note 20. Financial Support

NSW Business Chamber has confirmed their intention to provide financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due and to carry on its business without significant curtailment of operations.

Hunter Business Chamber

Directors' Declaration For the year ended 30 June 2019

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 31 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards and *Corporations Regulations 2001* and other mandatory professional reporting requirements
 - ii. giving a true and fair view of the Company's financial position as at 30 June 2019 and of the performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Stephanus du Plooy
Director
Newcastle

Anthony Rhodes
Director
Newcastle

27 September 2019



Independent auditor's report

To the members of Hunter Business Chamber Limited

Our opinion

In our opinion:

The accompanying financial report of Hunter Business Chamber Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the Statement of Financial Position as at 30 June 2019
- the Statement of Comprehensive Income for the year then ended
- the Statement of Changes in Equity for the year then ended
- the Statement of Cash Flows for the year then ended
- the Notes to the Financial Statements, which include a summary of significant accounting policies
- the Directors' Declaration.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of 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* (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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757

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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 that we 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 ability of the Company 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 the 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 at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized signature in black ink, likely representing the PricewaterhouseCoopers firm.

PricewaterhouseCoopers

A handwritten signature in black ink, reading 'James McElvogue'.

James McElvogue
Partner

Sydney
27 September 2019