

Hunter Business Chamber

ABN 96 083 977 459

Annual Report - 30 June 2020

The directors present their report, together with the financial statements, on the company (referred to as the 'company' or 'Chamber') for the year ended 30 June 2020.

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:

Stephanus du Plooy (President)
Anthony Rhodes (Senior Vice President)
Jane Moran (Vice President)
Jonathan Vandervoort (Immediate Past President)
Geoffrey Crowe
Lauren Eyles
James Garis
Peter Gesling
Narelle Redman
Natalie Mitchell (appointed on 20 March 2020)
Ian Penfold (resigned 14 February 2020)

Objectives and strategy for achieving the objectives

Members

Maximise relevance and engagement in Chamber services by providing quality events, access to advice and value adding products and services to members.

Key strategy/measure

- 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; and
- Increase participation and influence in key policy, project and advocacy realms.

Policy and advocacy

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

Key strategy/measure

- Develop and implement policy and project initiatives to drive regional economic growth;
- Reinforce political engagement at federal and state levels;
- Strengthen and fortify the Chamber's position as the business voice of first choice in the Hunter; and
- Lead ongoing collaboration with key allies throughout the region.

Events

Deliver an events program which responds to the educational, information and networking objectives of member organisations and the wider business community.

Key strategy/measure

- 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; and
- Promote and conduct business excellence awards that engage the local Chambers 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 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 ('NSWBC') membership, products and services in the Hunter Region. 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.

Significant events

The Coronavirus (COVID-19) pandemic has had wide ranging and variable impacts on member businesses and the operations of the HBC. The response to the pandemic led to the postponement or cancellation of the face to face events program of the Chamber from March 2020. This impacted the financial performance of the organisation. The impact was mitigated through postponement of the replacement of the Events and Marketing Coordinator role which has remained vacant beyond 30 June 2020. Hunter First membership renewals have remained stable and directors were deliberate in ensuring contact and communication with members was maintained since the onset of the pandemic.

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 constantly measured against the following key performance indicators and drivers:

Key performance indicators

- Consolidating the membership base;
- Conducting a program of events including Business Development Forums, Business Mining, Innovation and Infrastructure series, Business Connect 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;
- Produce effective and regular communications 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 regional economy;
- Development of and involvement with thought leadership relevant to promoting the business interests in the Hunter region; and
- Continued active involvement with other regional stakeholders and groups to promote and grow the region.

Key internal drivers

- Participating in the development of and assimilating Business Australia and Business NSW initiatives across membership, engagement and branding;
- Work with Business NSW on the policy and advocacy agenda to optimise the recovery from the Coronavirus (COVID-19) pandemic impacts.
- Ensure operational structure and responsibilities are relevant and meet organisational and member needs; and
- Communication and engagement with Local chambers to facilitate improved relationships.

Key external drivers

- 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 in a post Coronavirus (COVID-19) environment;
- Hunter First member engagement to ensure continued relevance; and
- Local chamber relationship building to drive growth in Chamber Alliance Program.

Information on directors



Hennie du Plooy



Tony Rhodes



Jane Moran



Jonathan Vandervoort



Narelle Redman



Jim Garis



Geoff Crowe



Lauren Eyles



Peter Gesling



Natalie Mitchell

Name: Stephanus ('Hennie') du Plooy
 Title: President
 Qualifications: B.Eng (Extractive Metallurgical), B.Com, GAICD
 Experience and expertise: Hennie has been the Chief Executive Officer of Port Waratah Coal Services since 2011 and has led this company 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, his contribution to the Chamber would be a focus on how current strengths can be leveraged in the interest of sustainable economic growth that improves all aspects of the wellbeing of the Region.
 Special responsibilities: Chair of the Executive Committee and member of the Audit and Governance Committee and Nominations Committee (to September 2019)

Name: Anthony ('Tony') Rhodes
 Title: Senior Vice President
 Experience and expertise: Tony started his career as a plumbing apprenticeship at H.L. Mullane. Working through management and leadership roles he purchased the company from the Mullane family in 1999. The company now has 260 people on the team at Mullane, including 56 apprentices. Tony also have an interest in a small electrical business and a hydraulic design consultancy. He is the past president of both Newcastle Rotary Club and Newcastle Master Builders Association and has served on advisory boards for Sudden Infant Death Syndrome ('SIDS') and Royal Institute for Deaf and Blind Children ('RIDBC'). Tony strongly believes that co-operation, communication and healthy relationships are key to building strong organisations.
 Special responsibilities: Member of the Audit and Governance Committee and Executive Committee

Name: Jane Moran
Title: Vice President
Qualifications: BEng (Civil), CPEng, MIEAust, RPEQ, GAICD
Experience and expertise: Jane lead Aurecon's growth strategy in the Hunter region as Aurecon's Newcastle leader January 2018 -June 2020. Projects such as Newcastle Light Rail, Wickham Transport Interchange and the University's NuSpace building are engineering highlights for her team. Jane now leads the Transport client's portfolio of which includes significant projects in the Hunter. Jane is a Member of Engineers Australia and a Graduate of the Australian Institute of Company Directors, sits on the Water Polo Australia Board, is an Olympic bronze medallist and was also named a Young Executive of the Year in the 2018 Australian Financial Review BOSS awards.

Special responsibilities: Member of the Executive Committee

Name: Jonathan Vandervoort
Title: Immediate Past President
Qualifications: BCom, FCPA, FAIMA, GAICD
Experience and expertise: Jonathan retired from full time work in January 2020 after a successful five year period as the Group Executive Hunter Valley with the Australian Rail Track Corporation (ARTC). Jonathan has been involved in the Australian coal mining industry for forty 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 is a past Non-executive Director of the Hunter Valley Coal Chain Coordinator and 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: Member of the Executive Committee

Name: Geoffrey ('Geoff') Crowe
Title: Director
Qualifications: BCom, FCPA, GAICD
Experience and expertise: Geoff was CEO at Port of Newcastle until 2018 having led and developed its diversification strategy. 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. As a Novocastrian, Geoff has a special interest in supporting the region to realise its full potential through the city's continued revitalisation with investment in key infrastructure investment, airport and port growth, growth in tourism, further developments in research and educational facilities like the University of Newcastle.

Special responsibilities: Chair of the Audit and Governance committee and member of the Nominations Committee

Name: Lauren Eyles
Title: Director
Qualifications: BAarts (Communication Studies), GAICD
Experience and expertise: Lauren is passionate about the growth and success of the Hunter region and creating opportunities for the next generation. She has held leadership roles with and led communication for the Port of Newcastle, Hunter Water and the Hunter Medical Research Institute, and was previously the Marketing and Grants Manager for the £321m redevelopment of Great Ormond Street Children's Hospital in London. As a qualified coach, Lauren helps leaders, teams and job seekers navigate change and complexity and communicate effectively. She is currently completing an MBA at the University of Newcastle.

Name: James ('Jim') Garis
Title: Director
Qualifications: BCom, ACA
Experience and expertise: Jim founded The Garis Group in cosmopolitan Hamilton some 27 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, with clients throughout Australia. The Garis Group works to create a beautiful financial future for families and businesses alike. Jim's recent focus has been on sharing his expertise with the Hunter community via his role as 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
Qualifications: MBus, BEng (Civil), A Dip Town Planning, FIE Aust., FAIM, FAICD
Experience and expertise: Peter is self-employed as a Director, facilitator, trainer and mentor. He has accreditation in several career and organisational development products. Former Chair of Newcastle Airport Board, Peter now serves as the Board Ambassador and Corporate Mentor. He has a personal consultancy trading as petergesling.com and has extensive experience as a Non-executive Director on 'not for profit', community, public and private Boards across the aviation, legal, lifestyle, local government and tourism industries/sectors. Peter has spent his career working and living in local and regional communities assisting them to find their potential, recover from adverse conditions and celebrate their successes. He is clear on the importance of businesses' role in establishing, growing and maintaining a community, its economy, culture and history. This has involved successful time in rural, remote/isolated, urban and city environments both in Australia and internationally including the Hunter, Norfolk Island, Sudan, Papua New Guinea, Kiribati and central and north-west NSW.

Special responsibilities: Chair of the Nominations Committee

Name: Ian Penfold
Title: Director
Qualifications: 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. An experienced Chairman and Chief Executive, Ian's particular skills and experience were acquired as the head of major corporations with licenses for well-known international retail brands. 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 & 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 & Advisors and Defence Reserves Support Council Sydney Metropolitan Regional Chairman and Committee Member. Ian is also a member of the Corrective Industries Consultative Committee.

Special responsibilities: Director appointed by the NSWBC pursuant to the provisions of the Related Party Deed (to 14 February 2020).

Name: Natalie Mitchell
Title: Director
Qualifications: Master of Commerce
Experience and expertise: Natalie was elected to Business NSW's Council in 2015 and was elected to the Board in February 2020 and the HBC Board in March 2020. Natalie's 25 year career in business management began with accounting and finance roles with Arthur Andersen, AGL and Dairy Farmers. These roles led to involvement in business management and inventory control software, taking her overseas to lead sales and software design and implementation teams in Tokyo, Singapore and Chicago. Upon returning to Australia 18 years ago, Natalie founded her own business, Capital Office Business Solutions. Capital Office Business Solutions provides business advisory services to businesses in the mid and north coast of New South Wales, including risk management, financial modelling, strategic planning, management accounting and systems implementation services. Natalie is passionate about promoting and developing businesses in regional Australia and was, for the last two years, the Chair of Business NSW's Regional Presidents' Forum. Natalie holds a Master of Commerce (Professional Accounting) from the University of New England and 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 (from 20 March 2020)

Name: Narelle Redman
Title: Director
Qualifications: FAICD
Experience and expertise: Narelle is a Director of Silveradoh Promotional Products based in Cardiff. Together with her husband Gary they have operated small businesses for over 30 years. Narelle is passionate about helping others succeed in business which has led her to becoming involved in local Chambers of Commerce. Over the past 16 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 the Chamber's Business Development Forum for the past 11 years and has also been invited by Lake Macquarie City Council onto several of their business and community committees. In 2014 Narelle was awarded the Lake Macquarie Business Person of the Year.

Special responsibilities: Chair of the Business Development Forum Committee

Meetings of directors

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 2020, and the number of meetings attended by each director were:

	Full Board		Executive	
	Attended	Held	Attended	Held
Stephanus du Plooy	7	7	9	9
Anthony Rhodes	5	7	7	9
Jane Moran	7	7	9	9
Jonathan Vandervoort	4	7	8	9
Geoffrey Crowe	6	7	-	-
Lauren Eyles	7	7	-	-
James Garis	6	7	-	-
Peter Gesling	6	7	-	-
Ian Penfold	3	4	-	-
Narelle Redman	6	7	-	-
Natalie Mitchell	3	3	-	-

	Audit and Governance		Nomination	
	Attended	Held	Attended	Held
Stephanus du Plooy	4	4	2	2
Anthony Rhodes	3	4	-	-
Geoffrey Crowe	4	4	2	2
Peter Gesling	-	-	2	2

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. He has held previous roles as Interim CEO of Dantia (The Lake Macquarie Economic Development Company Limited) and General Manager of the Hunter Development Corporation.

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 \$24,050, based on 481 current voting members as at 30 June 2020.

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.

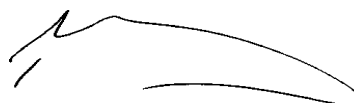
PricewaterhouseCoopers continues in office in accordance with Section 327 of the Corporations Act 2001.

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



Stephanus du Plooy
Director



Anthony Rhodes
Director

25 September 2020
Newcastle



Auditor's Independence Declaration

As lead auditor for the audit of Hunter Business Chamber Limited for the year ended 30 June 2020, 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 'James McElvogue', is written over a light blue horizontal line.

James McElvogue
Partner
PricewaterhouseCoopers

Sydney
25 September 2020

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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.businesschamber.com.au/hunter/home>

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2020. The directors have the power to amend and reissue the financial statements.

Hunter Business Chamber
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020



	Note	2020 \$	2019 \$
Revenue	3	681,660	691,499
Interest revenue calculated using the effective interest method		11,416	26,758
Expenses			
Advertising and marketing expense		(745)	-
Consultants, governance, legal and professional expenses		(45,807)	(59,825)
Employee benefits expense		(312,409)	(328,866)
Events and training		(204,191)	(187,973)
Finance and investment costs		(12,149)	(17,813)
Information technology expense		(8,087)	(7,199)
Motor vehicle expense		(16,460)	(16,472)
Commercial products		(6,897)	(13,452)
Rent, building and occupancy costs		(18,120)	(18,120)
Telecommunication expense		(4,800)	(6,361)
Travel and entertaining expense		(9,679)	(19,923)
Other expenses		(6,718)	(30,139)
Surplus before income tax expense		47,014	12,114
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Hunter Business Chamber		47,014	12,114
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Hunter Business Chamber		<u>47,014</u>	<u>12,114</u>

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

**Hunter Business Chamber
Statement of financial position
As at 30 June 2020**



	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	731,888	924,761
Trade and other receivables	6	279,128	47,081
Prepayments		3,392	9,311
Total current assets		<u>1,014,408</u>	<u>981,153</u>
Total assets		<u>1,014,408</u>	<u>981,153</u>
Liabilities			
Current liabilities			
Trade and other payables	7	179,767	161,742
Contract liabilities and unearned income	8	203,143	242,645
Employee benefits		17,258	11,639
Total current liabilities		<u>400,168</u>	<u>416,026</u>
Non-current liabilities			
Employee benefits		7,048	4,949
Total non-current liabilities		<u>7,048</u>	<u>4,949</u>
Total liabilities		<u>407,216</u>	<u>420,975</u>
Net assets		<u>607,192</u>	<u>560,178</u>
Equity			
Retained surpluses		<u>607,192</u>	<u>560,178</u>
Total equity		<u>607,192</u>	<u>560,178</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 2020**



	Retained surpluses \$	Total equity \$
Balance at 1 July 2018	548,064	548,064
Surplus after income tax expense for the year	12,114	12,114
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	12,114	12,114
Balance at 30 June 2019	<u>560,178</u>	<u>560,178</u>
	 Retained surpluses \$	 Total equity \$
Balance at 1 July 2019	560,178	560,178
Surplus after income tax expense for the year	47,014	47,014
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	47,014	47,014
Balance at 30 June 2020	<u>607,192</u>	<u>607,192</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 2020



	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		463,704	738,971
Payments to suppliers and employees (inclusive of GST)		<u>(682,948)</u>	<u>(802,997)</u>
		(219,244)	(64,026)
Interest received		11,416	26,758
Other revenue		<u>14,955</u>	<u>14,868</u>
Net cash used in operating activities	16	<u>(192,873)</u>	<u>(22,400)</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(192,873)	(22,400)
Cash and cash equivalents at the beginning of the financial year		<u>924,761</u>	<u>947,161</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>731,888</u></u>	<u><u>924,761</u></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.

AASB 15 'Revenue from Contracts with Customers', AASB 16 'Leases' and AASB 1058 'Income of Not-for-Profit Entities' are most relevant to the company and were adopted using the modified retrospective approach and as such comparatives have not been restated.

AASB 15 Revenue from Contracts with Customers

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

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9 'Financial Instruments', or provisions in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The impact of adoption on opening retained surpluses as at 1 July 2019 was \$nil.

Changes to disclosure as required by these standards, and consequential amendments to other standards, includes reclassifying deferred revenue as contract liabilities;

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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.

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 consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Note 1. Significant accounting policies (continued)

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

These amounts 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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation 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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 1. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

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 2020. 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

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.

Note 2. 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. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Revenue

	2020 \$	2019 \$
<i>Revenue from contracts with customers</i>		
Fee for service and other related income	28,834	33,523
Membership fees	326,620	347,266
Events	311,251	295,842
	<u>666,705</u>	<u>676,631</u>
<i>Other revenue</i>		
Other revenue	14,955	14,868
Revenue	<u><u>681,660</u></u>	<u><u>691,499</u></u>

Disaggregation of revenue

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

	2020 \$
<i>Geographical regions</i>	
Australia	<u><u>666,705</u></u>
<i>Timing of revenue recognition</i>	
Services transferred at a point in time	311,251
Services transferred over time	<u>355,454</u>
	<u><u>666,705</u></u>

As AASB 15 has been applied prospectively from 1 July 2019, comparative information on disaggregation of revenue has not been provided.

Note 4. Expenses

	2020 \$	2019 \$
Surplus before income tax includes the following specific expenses:		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>36,153</u>	<u>29,192</u>

Note 5. Current assets - cash and cash equivalents

	2020 \$	2019 \$
Cash at bank	163,956	357,133
Deposits at call	<u>567,932</u>	<u>567,628</u>
	<u><u>731,888</u></u>	<u><u>924,761</u></u>

Note 6. Current assets - trade and other receivables

	2020 \$	2019 \$
Trade receivables	91,337	33,045
Less: Allowance for expected credit losses	(110)	(110)
	<u>91,227</u>	<u>32,935</u>
Receivable from NSW Business Chamber Limited	187,675	14,146
Other receivables	226	-
	<u>279,128</u>	<u>47,081</u>

Allowance for expected credit losses

The company has incurred a loss of \$nil (2019: loss of \$nil) in profit or loss in respect of impairment of receivables for the financial year ended 30 June 2020.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2020 %	2019 %	2020 \$	2019 \$	2020 \$	2019 \$
Not overdue	-	-	65,730	32,068	-	-
30 - 90 days	-	-	15,930	316	-	-
90 days and over	1.1%	16.7%	9,677	661	110	110
			<u>91,337</u>	<u>33,045</u>	<u>110</u>	<u>110</u>

During the year there were no movements in the allowance for expected credit losses.

Note 7. Current liabilities - trade and other payables

	2020 \$	2019 \$
Trade payables	-	9,602
Amount due to NSW Business Chamber Limited	123,242	100,277
Other payables	56,525	51,863
	<u>179,767</u>	<u>161,742</u>

Refer to note 9 for further information on financial instruments.

Note 8. Current liabilities - contract liabilities and unearned income

	2020 \$	2019 \$
Membership fee and subscription fee received in advance	<u>203,143</u>	<u>242,645</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 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 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.

2020	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	<u>7,319</u>	<u>7,319</u>	100	<u>(7,319)</u>	<u>(7,319)</u>

2019	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash and cash equivalents	100	<u>9,248</u>	<u>9,248</u>	100	<u>(9,248)</u>	<u>(9,248)</u>

Credit risk

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

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

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

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

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

Note 9. Financial instruments (continued)

	2020 \$	2019 \$
Credit quality of financial assets held at the reporting date, net of impairment:		
A rated cash and cash equivalents	731,888	924,761
Trade receivables counterparties without credit rating		
Membership	90,861	22,619
Other	188,377	24,572
	<u>1,011,126</u>	<u>971,952</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.

2020	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives					
<i>Non-interest bearing</i>					
Amounts due to related party	123,242	-	-	-	123,242
Other payables	56,525	-	-	-	56,525
Total non-derivatives	<u>179,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,767</u>

2019	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	9,602	-	-	-	9,602
Amounts due to related party	100,277	-	-	-	100,277
Other payables	51,863	-	-	-	51,863
Total non-derivatives	<u>161,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,742</u>

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:

	2020 \$	2019 \$
Short-term employee benefits	380,557	307,281
Post-employment benefits	36,153	29,192
	<u>416,710</u>	<u>336,473</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 \$231,463 (2019: \$192,401).

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.

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:

	2020 \$	2019 \$
Provision to related party of goods and services:		
Sponsorship from NSWBC	28,834	33,523
Less: Event profit sharing to NSWBC	(57,812)	(42,974)
Provision by related party of goods and services:		
Provision of management services by NSWBC	42,067	52,414
Workplace advice line and award servicing	-	18,837
Australian Business Industrial membership fees	-	2,912

Note 12. Related party transactions (continued)

Receivable from and payable to related parties

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

	2020	2019
	\$	\$
Current receivables:		
Trade receivables from NSWBC	187,675	14,146
Current payables:		
Trade payables to NSWBC	123,242	100,277

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 PricewaterhouseCoopers, the auditor of the company:

	2020	2019
	\$	\$
<i>Audit services - PricewaterhouseCoopers</i>		
Audit of the financial statements	<u>10,609</u>	<u>10,300</u>

Note 14. Contingent liabilities

The company had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 15. Commitments

The company had no commitments as at 30 June 2020 and 30 June 2019.

Note 16. Reconciliation of surplus after income tax to net cash used in operating activities

	2020	2019
	\$	\$
Surplus after income tax expense for the year	47,014	12,114
Change in operating assets and liabilities:		
Increase in trade and other receivables	(232,047)	(29,570)
Decrease in prepayments	5,919	20,864
Increase/(decrease) in trade and other payables	18,025	(33,627)
Decrease in contract liabilities and unearned income	(39,502)	-
Increase in employee benefits	7,718	7,819
Net cash used in operating activities	<u>(192,873)</u>	<u>(22,400)</u>

Note 17. Events after the reporting period

The Coronavirus (COVID-19) pandemic has had wide ranging and variable impacts on member businesses and the operations of the HBC.

The HBC Audit and Governance Committee in their review of the final accounts of the Hunter Business Chamber for the reporting year ended 30 June 2020 have flagged concerns over the receivability from members of outstanding fees. During the year businesses, our members have faced unprecedented financial hardship. We have concerned ourselves with this risk to our business and taken a number of initiatives in managing it accordingly.

In particular a fundamental concern to the HBC has been the ability of members to pay their fees, whilst some patience has been given, the accounts present what we believe will be realised and have been adjusted as necessary. Receivables and in particular members fees are fundamental to our business and are be given a high priority in preparation and review, no more so than in a year in which there is the clear exposure to receivables not being realised through business hardship due to the impacts of COVID-19.

The response to the pandemic also lead to the postponement of the face to face events program of the Chamber from March 2020. This impacted the financial performance of the organisation. The impact was mitigated through postponement of the replacement of the Events and Marketing Coordinator role which has remained vacant beyond 30 June 2020.

Owing to the concern from the directors Hunter First membership renewals and take up could soften, HBC took on a deliberate approach to increase direct contact with members and generate a program of virtual events. This has assisted in stabilising membership renewals notwithstanding the impacts of COVID-19 however, given the persistence of the crisis, the uncertainty on these elements of our business are likely to roll well into the 2020/21 financial year.

No other matter or circumstance has arisen since 30 June 2020 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 2020 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.

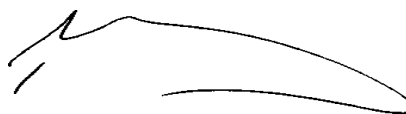
Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "S. du Plooy".

Stephanus du Plooy
Director

25 September 2020
Newcastle

A handwritten signature in black ink, appearing to read "Anthony Rhodes".

Anthony Rhodes
Director



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 2020 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 2020
- the Statement of changes in equity for the year then ended
- the Statement of cash flows for the year then ended
- the Statement of profit or loss and other comprehensive income 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 (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.

PricewaterhouseCoopers, ABN 52 780 433 757

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, 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 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.

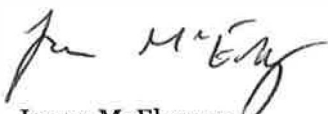
Auditor's responsibilities for the audit of the financial report

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/ar3.pdf. This description forms part of our auditor's report.


PricewaterhouseCoopers


James McElvogue
Partner

Sydney
25 September 2020