

**Australia China Business Council**  
**ACN 075 909 625**

**Special Purpose Financial Report**  
**For the year ended 30 June 2014**

**Australia China Business Council** ACN 075 909 625  
**Special Purpose Financial Report – 30 June 2014**

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**Directors report**

The directors of the Australia China Business Council (the Council) submit the following report for the year ended 30 June 2014.

**Directors**

The following persons were directors of the Council during the whole of the financial year and up to the date of this report:

| <b>Name</b>  | <b>Qualification and Experience</b>   | <b>Special Responsibility</b>                     |
|--|---|---|
| Frank Tudor<br>Appointed: 26/11/2007                                     | Managing Director Elect<br>Horizon Power  | Director  |
| Maree Naomi Arnason<br>Appointed: 27/11/2008                             | Director, Arnason Consulting Pty Ltd  | Director  |
| Sian Tatt Peter Chong<br>Appointed: 21/02/2011                           | Senior Executive, Corporate Finance, KPMG                                       | WA<br>Alternate Director                          |
| James Geoffrey Fulton Harrowell<br>Appointed: 26/11/2007                 | Solicitor, Hunt & Hunt  | NSW<br>Branch Representative                      |
| Vivienne Diane Bath<br>Appointed: 21/02/2011                             | Lecturer, Faculty of Law, University of Sydney                                  | NSW<br>Alternate Director                         |
| Paul Glasson<br>Appointed: 23/11/2009                                    | Chairman, Satori Investments Ltd  | Director,<br>President, China Operations          |
| Ian Andrew McCubbin<br>Appointed: 24/11/2004                             | Director and Solicitor  | National President and<br>Chairman                |
| Chien Min Jason Chang<br>Appointed: 27/11/2008                           | Managing Director and CEO, EMR Capital  | VIC<br>Branch Representative                      |
| Richard Kenneth Robert Alston<br>Appointed: 15/03/2012                   | Director, Federal President, Australian Liberal Party                           | VIC<br>Alternate Director                         |
| Geoffrey Raymond Upton<br>Appointed: 08/12/2005<br>Appointed: 21/02/2011 | Director, Trade Focus International   | SA<br>Branch Representative<br>Alternate Director |
| Sean David Keenhan<br>Appointed: 27/11/2008                              | Partner, Norman Waterhouse Lawyers  | SA<br>Branch Representative                       |
| Michele Fleming<br>Appointed: 10/08/2011                                 | Director, Populous  | QLD<br>Alternate Director                         |
| Daryl James Guppy<br>Appointed: 26/11/2007                               | CEO, Guppytraders.com   | NT<br>Branch Representative                       |
| Andrew Mark Buttery<br>Appointed: 17/12/2013                             | Managing Director – Gemtree Wines   | Director  |
| Adam Neil Charles Handley<br>Appointed: 17/12/2013                       | Partner – Minter Ellison  | Director, WA Branch<br>Representative             |
| Burckhard Schulz<br>Appointed: 17/12/2013                                | Owner and Managing Director / Chief Consultant of<br>Bernie Schulz & Associates | Director  |

|  |  |                    |
|--|--|--------------------|
| <b>Lisa Marie O'Donoghue</b><br>Appointed: 24/10/2012      | Assistant Director China Engagement, Tourism<br>Northern Territory   | Alternate Director |
| <b>Martine Letts</b><br>Appointed: 01/08/2013              | National CEO ACBC  | Company Secretary  |
| <b>Johanna Roche</b><br>Appointed: 17/12/2013              | Treasurer at Queensland Team Handball Association<br>Handball Association, Director at RocheCooper Services<br>Pty Ltd, Executive Director at MS Queensland, Treasurer<br>At Australia China Business Council – Queensland | Alternate Director |
| <b>Qiang Li</b><br>Appointed: 06/11/2013                   | Partner – Ernst & Young  | Director           |
| <b>Michelle Margaret Robinson</b><br>Appointed: 21/02/2011 | Director, International Assistance Coordination<br>Queensland Department of the Premier  | Alternate Director |

#### **Principal activities of the Council**

The principal activity of the Council during the course of the financial year was to provide an opportunity for Australian business from all States and Territories to network on China business activities with their peers and to be recognised as the peak body for promoting business links between Australia and China.

#### **Operating results**

The operating deficit for the year was \$37,978 (2013: deficit of \$23,732).

#### **Dividends**

The income and property of the Council, however derived, must be applied solely towards the promotion of the objects of the Council as set forth in the Memorandum of Association and no part may be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the members of the Council other than payment in good faith of remuneration to any members, officers, or employees of the Council. Accordingly, no dividends have been declared or paid and no dividend is recommended by the directors.

#### **Review of operations**

Total members' funds are \$604,096 as at 30 June 2014 (2013: \$642,844).

#### **State of affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the Council that occurred during the financial year under review.

#### **Events subsequent to the balance due**

Since the end of the financial year the directors are not aware of any matter or circumstances not otherwise dealt with in the report that has significantly or may significantly affect the operations of the Council, the results of those operations or the state of affairs of the Council in subsequent financial years.

#### **Environmental regulation**

The Council's operations are not subject to any significant environmental regulations under either the Commonwealth or State legislation.

#### **Likely developments**

Further information about likely developments in the operations of the Council and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Council.

**Indemnification and insurance of officers and auditors**

The Council's constitution agrees to indemnify directors, officers and the auditor of the Council, out of the assets of the Council against any liability arising out of the execution of their position, except where the liability arises out of conduct involving a lack of good faith.

**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 5.

This report is made in accordance with a resolution of directors.



Director



*Ida McGubbin*  
National President

AUSTRALIA CHINA BUSINESS COUNCIL  
ACN 075 909 625

*Sean Keenihan*  
Director

Sydney

Dated this *18<sup>th</sup>* day of *September*, 2014



*Stirling Warton Taylor*  
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**AUSTRALIA CHINA BUSINESS COUNCIL**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C  
OF THE CORPORATIONS ACT 2001  
TO THE MEMBERS OF THE AUSTRALIA CHINA BUSINESS COUNCIL**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) No contraventions of the auditors independence requirement as set out in the Corporations Act 2001 in relation the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit

SWT SYDNEY



R M TAYLOR

SYDNEY

Dated this 25 day of SEPTEMBER 2014

**Australia China Business Council  
Statement of Comprehensive Income  
For the year ended 30 June 2013**

|  | Notes | 2014<br>\$         | 2013<br>\$         |
|--|-------|--------------------|--------------------|
| Revenue from continuing operations               | 2     | 2,089,289          | 2,092,533          |
| Other income                                     | 2     | 27,358             | 29,506             |
| <b>Total revenue</b>                             |       | <b>2,116,647</b>   | <b>2,122,039</b>   |
| Employee expenses                                |       | (792,938)          | (712,608)          |
| Catering expenses                                |       | (402,259)          | (472,695)          |
| Communication expenses                           |       | (22,790)           | (98,000)           |
| Printing, stationery postage and office expenses |       | (82,228)           | (93,996)           |
| Insurance expense                                |       | (11,961)           | (7,159)            |
| Rent expenses                                    | 3     | (44,958)           | (36,425)           |
| Travel expenses                                  |       | (59,930)           | (82,878)           |
| Accounting and auditing fees                     |       | (41,215)           | (45,773)           |
| Bank and Merchant fees                           |       | (20,997)           | (24,079)           |
| Depreciation and amortisation expenses           | 2     | (4,453)            | (4,720)            |
| Other expenses from ordinary activities          |       | (715,444)          | (679,516)          |
| <b>Total expenses</b>                            |       | <b>(2,149,625)</b> | <b>(2,199,771)</b> |
| <b>Net (Deficit) / Surplus</b>                   |       | <b>(32,978)</b>    | <b>(77,732)</b>    |
| Other Comprehensive Income                       |       | -                  | -                  |
| <b>Total Comprehensive Income</b>                |       | <b>(32,978)</b>    | <b>(77,732)</b>    |

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

**Australia China Business Council  
Statement of Financial Position  
As at 30 June 2014**

|                                  | Notes | 2014<br>\$     | 2013<br>\$     |
|----------------------------------|-------|----------------|----------------|
| <b>ASSETS</b>                    |       |                |                |
| <b>Current assets</b>            |       |                |                |
| Cash assets                      | 19(a) | 686,628        | 772,764        |
| Receivables                      | 7     | 149,091        | 47,190         |
| <b>Total current assets</b>      |       | <b>829,719</b> | <b>819,954</b> |
| <b>Non-current assets</b>        |       |                |                |
| Plant and equipment              | 5     | 4,845          | 6,025          |
| Intangible assets                | 6     | -              | -              |
| <b>Total non-current assets</b>  |       | <b>4,845</b>   | <b>6,025</b>   |
| <b>Total assets</b>              |       | <b>834,564</b> | <b>827,919</b> |
| <b>LIABILITIES</b>               |       |                |                |
| <b>Current liabilities</b>       |       |                |                |
| Payables                         | 8     | 209,646        | 146,423        |
| Provisions                       | 9     | 20,052         | 88,652         |
| <b>Total current liabilities</b> |       | <b>229,700</b> | <b>185,075</b> |
| <b>Total liabilities</b>         |       | <b>229,700</b> | <b>185,075</b> |
| <b>Net assets</b>                |       | <b>604,865</b> | <b>642,844</b> |
| <b>Members' funds</b>            |       |                |                |
| Contributed equity               | 10    | 12             | 12             |
| Retained earnings                | 11    | 604,853        | 642,832        |
| <b>Total members' funds</b>      |       | <b>604,865</b> | <b>642,844</b> |

*The above statement of finance position should be read in conjunction with the accompanying notes.*



**Australia China Business Council  
Statement of changes in equity  
For the year ended 30 June 2014**

|  | <b>2014</b>     | <b>2013</b>     |
|--|-----------------|-----------------|
|  | <b>\$</b>       | <b>\$</b>       |
| <b>Total members' funds at the beginning of the financial year</b> | <b>642,844</b>  | <b>666,576</b>  |
| <b>(Deficit) / Surplus for the year</b>                            | <b>(87,978)</b> | <b>(23,732)</b> |
| <b>Total members' funds at the end of the financial year</b>       | <b>604,866</b>  | <b>642,844</b>  |

**Australia China Business Council  
Statement of Cash flows  
For the year ended 30 June 2014**

|  | 2014            | 2013             |
|--|-----------------|------------------|
| Notes  | \$              | \$               |
| <b>Cash flows from operating activities</b>          |                 |                  |
| Cash receipts  | 2,210,105       | 2,021,140        |
| Cash payments  | (2,904,817)     | (2,149,275)      |
| Interest received                                    | 9,850           | 18,506           |
| <b>Net cash inflows from operating activities</b>    | <b>(84,862)</b> | <b>(108,629)</b> |
| 13(b)  |                 |                  |
| <b>Cash flows from investing activities</b>          |                 |                  |
| Payment for plant and equipment                      | (1,274)         | (5,607)          |
| Payment for intangible assets                        | -               | -                |
| <b>Net cash (outflows) from investing activities</b> | <b>(1,274)</b>  | <b>(5,607)</b>   |
| <b>Net increase in cash</b>                          |                 |                  |
|  | (86,186)        | (114,236)        |
| Cash at the beginning of the year                    | 772,764         | 887,000          |
| <b>Cash at the end of the year</b>                   | <b>686,628</b>  | <b>772,764</b>   |
| 13(a)  |                 |                  |

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

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## 1 Summary of significant accounting policies

### (a) Basis of accounting

The Council is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the *Corporations Act 2001*. The accounting policies used in the preparation of this financial report, as described below, are consistent with the previous years, and are, in the opinion of the directors, appropriate to meet the needs of members:

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

Accordingly, the financial report has been prepared in accordance with the *Corporations Act 2001*, the basis of accounting specified by all Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 109 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1081 'Materiality and AASB 1948 Interpretation and Application of Standards' which apply to all entities required to prepare financial reports under the *Corporations Act 2001*.

The directors have determined that in order for the financial report to give a true and fair view of the Council's performance, cash flows and financial position, the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

The financial report is presented in Australian dollars.

### Statement of Compliance

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Council for the annual reporting period ended 30 June 2014. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Council) and interpretations.

This special purpose financial report complies with Australian Accounting Standards.

### (b) Plant and equipment

Items of property, plant and equipment are initially recorded at cost and depreciated over their estimated useful lives using the straight line method.

### (c) Receivables

Revenue is measured at the fair value of the consideration received or receivable. The collectability of debts is assessed at balance date and specific provision is made for the doubtful debts. Bad debts are written off during the period in which they are identified.

### (d) Payables

Payables including accruals not yet billed are recognised when the Council becomes obliged to make future payments as a result of a purchase of assets or services.

### (e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (i) All revenue includes interest from the bank account, functions and sponsorship and is recognised in the period the income is earned.

## **1 Summary of significant accounting policies (continued)**

### **(f) Employee entitlements**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

### **(g) Taxation**

The Australia Chinese Business Council is exempt from income tax pursuant to section 23(h) of the *Income Tax Assessment Act 1996* and accordingly no provision for income tax is necessary.

### **(h) Goods and services tax**

Revenues, expenses and assets are recognised net of the amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### **(i) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity 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.

### **(j) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

#### **Council as a lessee**

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

### **(k) Employee leave benefits**

#### **Wages, salaries, annual leave**

Liabilities for wages and salaries, annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

### **(l) Significant Accounting Judgements, Estimates And Assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

#### **(1) Estimation of useful lives of assets**

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

|   | 2014             | 2013             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>2 Revenue from continuing operations</b> |                  |                  |
| <i>Revenue from continuing operations:</i>  |                  |                  |
| Member subscriptions                        | 581,178          | 392,610          |
| Functions                                   | 597,403          | 701,932          |
| Sponsorship                                 | 964,708          | 966,378          |
| Management fees received                    | -                | 31,613           |
| Sponsor granted research                    | -                | -                |
| Advertising                                 | -                | -                |
|   | <u>2,089,289</u> | <u>2,092,533</u> |
| <i>Other Income:</i>                        |                  |                  |
| Interest revenue                            | 9,850            | 13,506           |
| Other                                       | 17,508           | 10,000           |
|   | <u>27,358</u>    | <u>23,506</u>    |
|   | <u>2,116,647</u> | <u>2,116,039</u> |

### 3 Expenses

Profit from ordinary activities has been arrived at after charging the following items:

|                                |        |        |
|--------------------------------|--------|--------|
| Depreciation and amortisation  | 4,453  | 4,720  |
| Operating lease rental expense | 44,958 | 38,425 |

### 4 Auditors remuneration

|   |        |       |
|---|--------|-------|
| Audit services: Auditors of the Council | 12,000 | 8,000 |
|---|--------|-------|

### 5 Plant and equipment

#### *Office furniture and equipment*

|                                |              |              |
|--------------------------------|--------------|--------------|
| At cost                        | 36,518       | 36,518       |
| Less: Accumulated depreciation | (31,673)     | (28,493)     |
|                                | <u>4,845</u> | <u>8,025</u> |

#### *Reconciliations:*

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Office furniture and equipment        |              |              |
| Carrying amounts at beginning of year | 8,025        | 6,372        |
| Adjustments                           | 1,273        | 5,607        |
| Additions                             | -            | -            |
| Depreciation                          | (4,453)      | (3,954)      |
|                                       | <u>4,845</u> | <u>8,025</u> |

### 6 Intangible assets

#### *Website development costs*

|                                |          |          |
|--------------------------------|----------|----------|
| At cost                        | 46,147   | 46,147   |
| Less: Accumulated amortisation | (46,147) | (46,147) |
|                                | <u>-</u> | <u>-</u> |

#### *Reconciliations:*

|                                       |          |          |
|---------------------------------------|----------|----------|
| Website development costs             |          |          |
| Carrying amounts at beginning of year | -        | 766      |
| Additions                             | -        | -        |
| Adjustments                           | -        | -        |
| Amortisation                          | -        | (766)    |
|                                       | <u>-</u> | <u>-</u> |

|  | 2014           | 2013           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>7 Receivables</b>                       |                |                |
| Trade debtors                              | 141,843        | 46,420         |
| Sundry debtors                             | 1,248          | 710            |
|  | <u>143,091</u> | <u>47,130</u>  |
| <b>8 Payables</b>                          |                |                |
| Fees received in advance                   | 97,583         | 91,936         |
| Sundry creditors and accruals              | 112,065        | 55,087         |
|  | <u>209,648</u> | <u>146,423</u> |
| <b>9 Provisions</b>                        |                |                |
| Employee entitlements                      | <u>20,052</u>  | <u>38,652</u>  |
| <b>10 Contributed equity</b>               |                |                |
| Issued and paid up shares                  |                |                |
| 12 ordinary shares, fully paid             | <u>12</u>      | <u>12</u>      |
| <b>11 Retained earnings</b>                |                |                |
| Retained earnings at beginning of the year | 642,832        | 666,564        |
| Net (Deficit) / Surplus                    | (97,978)       | (23,732)       |
| Retained earnings at end of the year       | <u>604,854</u> | <u>642,832</u> |

## 12 Members' guarantee

Every member of the Council has undertaken to contribute to the property of the Council, in the event of it being wound up while the member is a member or within one year after the member ceases to be a member, for payment of the debts and liabilities of the Council contracted before the member ceased to be a member and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributors among themselves, such amounts as may be required, not exceeding ten dollars (\$10.00).

|      |      |
|------|------|
| 2014 | 2013 |
| \$   | \$   |

### 13 Notes to the statement of cash flows

#### (a) Reconciliation of cash

For the purpose of the statement of cash flows, cash included cash at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the income statement as follows:

|                |                |                |
|----------------|----------------|----------------|
| Cash at bank   | 686,628        | 772,764        |
| Bank overdraft | -              | -              |
|                | <u>686,628</u> | <u>772,764</u> |

#### (b) Reconciliation of net surplus/(deficit) to net cash provided by ordinary activities

|   |                 |                  |
|---|-----------------|------------------|
| Net (Deficit) / Surplus                                 | (87,978)        | (23,732)         |
| Adjusted for non-cash items                             |                 |                  |
| Depreciation and amortisation                           | 4,453           | 4,720            |
| Change in net assets and liabilities:                   |                 |                  |
| Decrease / (Increase) in receivables                    | (89,363)        | (36,608)         |
| Decrease / (Increase) in other assets                   |                 | 5,227            |
| (Decrease) / Increase in payables                       | 66,626          | (44,261)         |
| (Decrease) / Increase in provisions                     | (18,600)        | (18,975)         |
| Net cash (outflows) / inflows from operating activities | <u>(84,862)</u> | <u>(108,629)</u> |

### 14 Related Party Transactions

The Group's main related parties are as follows

#### Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

#### Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

|                                  |  | 2014 | 2013      |
|----------------------------------|--|------|-----------|
|                                  |  | \$   | \$        |
| <b>Contour Media Pty Limited</b> | The nature of the transactions includes filming, editing and production of event media, including promotional DVDs, for ACBC WA and ACBC National Office events.                           |      |           |
|                                  | Contour Media is owned by Melanie Calder. Melanie Calder is the wife of Duncan Calder, the President of ACBC WA.   |      |           |
|                                  | Contour Media is paid for filming ACBC events, typically several events each year, for which promotional commemorative DVDs and digital media (for inclusion in the website) are produced. | 0.00 | 89,000.00 |
| <b>Hunt &amp; Hunt Lawyers</b>   | The nature of transactions includes a sublease between ACBC and Hunt & Hunt Lawyers for the provision of office space for the  |      |           |



ACBC National Office and New South Wales Branch within the Hunt & Hunt offices at Level 18, 1 Macquarie Place, Sydney.

Jim Harrowell is a director of ACBC and a Partner of Hunt & Hunt Lawyers. The landlord is Hunt & Hunt Lawyers.

ACBC pays Hunt & Hunt Lawyers approx. \$2,888.00 (2013: \$2,000.00) per month for these offices. The amount charged to ACBC represents less than the actual cost to Hunt & Hunt of \$4,329.00 (2013: \$3,711.00) per month. ACBC is able to secure office space to meet the needs of the National and New South Wales offices in prestigious premises at a discounted rate. In addition ACBC has access to Hunt & Hunt facilities to conduct events, receive official delegations and hold monthly board meeting for the New South Wales Branch at no cost.

28,000.00

24,000.00

**KPMG Australia**

The nature of the transactions include the provision of consulting services, accounting and secretarial services, event organisation, development of thought leadership and membership development.

Peter Chong, serves as the Treasurer for ACBC WA, and is an employee of KPMG. Duncan Calder, serves as the President of ACBC WA, and is a partner at KPMG.

A consulting fee is paid to KPMG for Peter Chong's time and services to ACBC. The fee is primarily to compensate for Peter's time directed to ACBC activities. KPMG also provides staff for each major function (to assist with event management and delivery) and provides ad-hoc design and graphic services at discounted or nil cost to ACBC.

0.00

89,000.00

**Qantas Limited**

The nature of the transactions include the purchase of air fares for ACBC executive members and employees from Qantas Limited for both international and domestic travel

Derek Balnes is a director of ACBC and an employee of Qantas Limited.

ACBC purchases these air fares on ordinary commercial terms from Qantas Limited. Qantas Limited is a national sponsor of ACBC and under their sponsorship agreement provides various benefits to ACBC, including flight upgrades.

90,981.71

84,660.28

**Satori Investments Greater China Limited**

The nature of the transaction includes organizing ACBC events and managing Council business in China for the National Office and on behalf of ACBC branches at their request.

Mr. Paul Glasson is a director of ACBC and a director, shareholder and employee of Satori Investments Greater China Limited.

Satori Investments Greater China Limited received a financial benefit of \$0.00 (2013: 28,200.10) which included primarily wages and overtime paid in respect of employees of Satori Investments Greater China Limited for working on ACBC events.

0.00

28,200.10


In accordance with a resolution of the directors of Australia China Business Council, I state that:

In the opinion of the directors:

As stated in Note 1(a) to the financial statements, the Council is not a reporting entity because there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001;

- (a) the financial statements and notes of the Council are in accordance with the Corporations Act 2001, including:
- (i) complying with Accounting Standards and Corporations Regulations to the extent described in Note 1 to the financial statements; and
  - (ii) giving a true and fair view of the Council's financial position as at 30 June 2014 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended that date; and
- (b) There are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.

On behalf of the Board

  
IAN McCUBBIN  
NATIONAL PRESIDENT

Director



SEAN KEENIHAN  
DIRECTOR

Sydney

Dated this 18<sup>th</sup> day of Sept 2014



*Stirling Warton Taylor*

ABN 75 110 970 649

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## AUSTRALIAN CHINA BUSINESS COUNCIL

### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN CHINA BUSINESS COUNCIL

#### Scope

##### The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Australian China Business Council for the year ended 30 June 2014.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in financial report.

##### Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Accounting Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement.

The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects in the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of their performance as represented by the results of their operations and cash flows.

We have formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and;
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



*Stirling Warton Taylor*

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**AUSTRALIAN CHINA BUSINESS COUNCIL**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE AUSTRALIAN CHINA BUSINESS COUNCIL**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Audit Opinion**

In our opinion, the financial report of the Australian China Business Council is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i). giving a true and fair view of the company's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
  - (ii). complying with Accounting Standards in Australia and the Corporation Regulations 2001; and
- (b) other mandatory professional reporting requirements

SWT SYDNEY



R M TAYLOR

SYDNEY

Date d this 25 day of SEPTEMBER 2014