

**AUSTRALIA CHINA BUSINESS COUNCIL**

**ACN 075 909 625**

**SPECIAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

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**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**DIRECTORS' REPORT**

Your Directors present this report on the Company for the financial year ended 30 June 2021.

As an Australian public company limited by guarantee, this report is provided in accordance with section 299 and section 300B of the *Corporations Act 2001*.

**1. Director status**

As at the date of this report, the following are our Directors:

<b>Director</b>	<b>Qualifications and experience</b>	<b>ACBC responsibilities</b>	<b>Meetings attended FY21</b>
Mr David Olsson	International Director, King & Wood Mallesons	National President and Chair	11/11
Mr Adam Handley	Partner & China Markets Leader, MinterEllison	National Vice President	9/11
Mr Keith Miranda	Head of Investment Partnerships, Citi	National Treasurer	7/8
Ms Erin Buttermore	Strategy Consultant, former marketing executive and government trade director	President, TAS Branch and Branch Representative	1/1
Ms Jenny Chen	Relationship Manager, Corporate and Commercial Banking, ANZ	President ACT Branch and Branch Representative	8/9
Mr James Clarke	Company Director and Consultant	President WA Branch and Branch Representative	6/6
Mr Michael Clifton	Consultant and former General Manager, Greater China, Austrade	President NSW Branch and Branch Representative	10/11
Mr Daryl Guppy	Chief Executive Officer, Guppytraders.com	President NT Branch and Delegate of Branch Representative	11/11
Mr Sean Keenihan	Chair of the Board and Partner, Norman Waterhouse	President, SA Branch and Appointed Director	11/11
Ms Karyn Kent	Chief Executive, StudyAdelaide	SA Branch Representative	7/7
Ms Laura Mattiazzi	Regional General Manager, Agribusiness, Westpac	Vice President VIC Branch and Appointed Director	1/1
Ms Jingmin Qian	Company Director and Consultant	Appointed Director	11/11
Mr Matthew Schofield	Partner and Head of Corporate Finance, ShineWing Australia	President VIC Branch and Branch Representative	10/11
Mr Laurie Smith	Consultant, former Executive Director International, Austrade	Appointed Director	11/11
Mr Michael Wadley	Partner, MinterEllison	QLD Branch Representative	11/11

From 1 July 2020 to the date of this report, the following Directors were **appointed**:

<b>Director</b>	<b>Appointment date</b>
Ms Jenny Chen	23/09/2020
Mr Michael Chilvers	24/11/2020
Ms James Clarke	24/11/2020
Mr Keith Miranda	24/11/2020
Mr Ian Locke	13/04/2021
Ms Erin Buttermore	21/09/2021

From 1 July 2020 to the date of this report, the following Directors **retired**:

<b>Director Retirement date</b>	<b>Qualifications and experience</b>	<b>Special responsibilities (former)</b>	<b>Meetings attended</b>
Mr Sung Lee 14/08/2021	Asia Practice, Associate Director, PwC	ACT Branch President and Branch Representative	1/1
Mr Brett Charlton 24/11/2021	State Manager, Agility	TAS Branch Representative	4/4
Mr Ben Foscett 24/11/2021	Executive Director, Pathway Services Pty Ltd	Appointed Director	3/3
Mr Tim Hogan- Doran 24/11/2021	Partner, ShineWing Australia Pty Ltd	National Treasurer	4/4
Mr James Young 24/11/2021	State Chief Executive, Colliers International	SA Branch Representative	4/4
Hon John Brumby AO 18/02/2021	Company Director and former Premier of Victoria	Immediate Past President	N/A
Mr Michael Chilvers 19/03/2021 (deceased)	Company Director and business leader	President of TAS Branch and Branch Representative	4/4
Ms Joanne Farrell 15/04/2021	Company Director and former Rio Tinto Group Executive HSE and MD Australia	Appointed Director	6/6
Mr Ian Locke 21/09/2021	Company Director and Consultant, Ian Locke Consulting	TAS Branch Representative	3/3

## 2. Principal Activities

The principal activities of Company during the financial year, were to apply members' funds to:

- a) promote two-way trade and investment, economic cooperation and understanding between the business communities of Australia and China;
- b) promote Australia's resources, related industries and other sectors; and
- c) provide Australian businesses from all States and Territories with opportunities to network on China business activities with their peers.

There were no significant changes in the principal activities of the Company during the year.

## 3. Our goals

Our **short-term objectives** are to evolve our business model to:

- a) engage and retain our members; and
- b) implement our strategies to be the voice of the Australian business community on issues relating to Australia and China during a challenging period of strained relations between Australia and China and a global pandemic.

Our **longer-term objectives** are to:

- a) promote productive trade and investment between Australia and China businesses;
- b) contribute to government policy through advocacy in relation to bilateral trade and investment;
- c) enhance cultural understanding between Australia and China; and
- d) continue to be recognised as the peak body for matters related to Australia-China trade and investment.

## 4. Our strategies

To achieve these objectives, the Company has adopted the following strategies:

- a) we raise funds from members and stakeholders to deliver events that promote Australia- China trade and investment, business links and policy development;
- b) we enter into partnerships with a range of governmental and community stakeholders to educate members and promote Australian resources and services;
- c) we have adjusted our governance and operating model to reflect the impact of the COVID- 19 pandemic and the challenging external environment;
- d) we continue to invest in the development of our on-line strategy;
- e) we focus our member and stakeholder engagement through the following key pillars of activity:
  - i. **Knowledge:** Collating and sharing knowledge and insights for our members and the Australian business community
  - ii. **Networks:** Organising and staging events for our members and the Australian business community, and facilitating the development of personal and business relationships
  - iii. **Advocacy:** Submitting reports to government committees, departments and agencies, issuing statements to the media and engaging in dialogue with business leaders, industry bodies and government officers.

## 5. Our performance and responses

The Company monitors performance of our short term and longer-term objectives, and reports to the Board through governance mechanisms which form part of the Board of Director meetings and the various committees constituted under it.

During the course of the year, the Company's operations continued to be affected by the COVID-19 pandemic and strained relations between Australia and China. Membership numbers declined, corporate sponsorship (especially at the national level) became more challenging to retain and secure, and the need to move to a largely on-line delivery of our events, all combined to see the Company's revenues fall sharply over previous years.

In response to these changes, the Board undertook a strategic review of the operations of the Company and implemented the following measures:

- a) decided not to employ a full-time National CEO, and instead establish (for the next 12 months) a new national leadership team structure to support cost-savings, remove duplication of resources and foster greater collaboration around its network;
- b) adopted new operating and governance principles to enhance financial and operational efficiencies, to encourage greater cost discipline and to support cash reserves;
- c) revitalised our program of events and initiatives to reflect the changing needs and interests of members;
- d) deepened our collaborative relationships (and access to alternate funding sources) with organisations such as the National Foundation for Australia China Relations; and
- e) continued to invest in the development of enhanced digital capabilities.

These changes have resulted in a year-on-year improvement in our cash reserves and cost reductions, resulting in an improvement in the overall financial performance of the Company.

For the financial year to 30 June 2021, we report:

KPI	FY21	FY20
Members	470	670
Member funds	\$933,359	\$944,183
Deficit	\$10,824	\$154,806

The Board remains focussed on securing the long-term financial sustainability of the Company and is currently undergoing a pivot to regroup and restructure the operations to create a solid and agile foundation to deliver continuing value to our members.

The external environment, however, remains uncertain. Accordingly, the approach of the Board is to closely monitor cash flows, to maintain adequate liquidity and to retain a strong balance sheet.

With that context, a number of the historic performance metrics are no longer relevant and will continue to evolve in the year ahead.

## 6. Events subsequent to the balance date

As noted above, the COVID-19 pandemic, as well as the on-going political tensions between Australia and China matter have continued to evolve since 30 June 2021 and has significantly affected, or may significantly affect:

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

The Board of Directors will take all necessary measures to preserve capital and reserves and shepherd the Company through this uncertain period.

## 7. Indemnification of office bearers

The Company's Constitution agrees to indemnify directors, officers and the auditor of the Company, out of the assets of the Company 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. The Company has maintained throughout the year Directors' and Officers' liability insurance for the benefit of the Company, the Directors and its officers.

**8. Member contribution on winding up**

Under clause 4.3 of the Constitution, a members' contribution to the debts and liabilities of the organisation on winding up is limited to \$10.00. As of 30 June 2021, the number of members was 470 (2020: 670)

**9. Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included in this report on Page 6.

Signed by the Chair in accordance with a resolution of the Board of Directors:



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**David Olsson**

**National President and Chair**

**25 October 2021**



# Collins & Co Audit Pty Ltd

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## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF AUSTRALIA CHINA BUSINESS COUNCIL A.B.N. 075 909 625

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

- i. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. No contravention of any applicable code of professional conduct in relation to the audit.

**Frederik Ryk Ludolf Eksteen CA**  
**ASIC Auditor Registration Number 421448**

**Collins & Co Audit Pty Ltd**  
**127 Paisley Street**  
**FOOTSCRAY VIC 3011**

**Dated this 26th day of October 2021**



**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Revenue from continuing operations</b>			
Member subscriptions		555,272	746,275
Functions		246,772	472,728
Sponsorship income		468,335	719,164
Sponsor grants for research		51,000	50,409
Advertising		1,100	2,500
<b>Other income</b>			
Interest received		1,122	6,131
COVID-19 government assistance payments		320,150	170,000
Other income		67,788	118,638
<b>Total revenue</b>		<b>1,711,539</b>	<b>2,285,845</b>
Employee expenses		(1,186,549)	(1,494,275)
Catering expenses		(177,780)	(278,402)
Communication expenses		(53,889)	(87,161)
Printing, stationary, postage and office expenses		(10,426)	(18,628)
Insurance expense		(8,720)	(10,038)
Rent expenses		2,924	(25,000)
Travel expenses		(7,109)	(88,425)
Accounting and auditing fees		(107,916)	(106,234)
Bank and merchant fees		(11,898)	(19,057)
Depreciation and amortisation expenses		(3,017)	(4,594)
Other expenses from ordinary activities		(157,983)	(308,837)
<b>Total expenses</b>		<b>(1,722,363)</b>	<b>(2,440,651)</b>
<b>Net surplus/(deficit) before income tax</b>		<b>(10,824)</b>	<b>(154,806)</b>
Income tax expense	1 (j)	-	-
<b>Net surplus/(deficit) attributable to the Company</b>		<b>(10,824)</b>	<b>(154,806)</b>

**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
Surplus/(deficit) for the year	(10,824)	(154,806)
Other comprehensive income after income tax	-	-
Total comprehensive income for the year	(10,824)	(154,806)
<b>Total comprehensive income attributable to the Company</b>	<b>(10,824)</b>	<b>(154,806)</b>

The income statement and statement of comprehensive income are to be read in conjunction with the audit report and the notes to the financial statements.

**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	1,428,305	1,194,324
Trade and other receivables	3	172,808	105,536
Other current assets	4	<u>2,739</u>	<u>2,739</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,603,852</b></u>	<u><b>1,302,599</b></u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	- <u>4,004</u>	- <u>7,021</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>4,004</b></u>	<u><b>7,021</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>1,607,856</b></u></u>	<u><u><b>1,309,620</b></u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other creditors	6	608,205	300,276
Provisions	7	<u>66,292</u>	<u>65,161</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>674,497</b></u>	<u><b>365,437</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	7	- -	- -
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>-</b></u>	<u><b>-</b></u>
<b>TOTAL LIABILITIES</b>		<u><u><b>674,497</b></u></u>	<u><u><b>365,437</b></u></u>
<b>NET ASSETS</b>		<u><u><b>933,359</b></u></u>	<u><u><b>944,183</b></u></u>
<b>EQUITY</b>			
Contributed equity		12	12
Accumulated funds		- <u>933,347</u>	- <u>944,171</u>
<b>TOTAL EQUITY</b>		<u><u><b>933,359</b></u></u>	<u><u><b>944,183</b></u></u>

The statement of financial position is to be read in conjunction with the audit report and the notes to the financial statements.

**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021**

	Share Capital	Accumulated Funds \$	Total \$
<b>Balance as at 1 July 2019</b>	<b>12</b>	1,098,977	1,098,989
Surplus/ (Deficit) attributable to the Company	-	(154,806)	(154,806)
<b>Balance as at 30 June 2020</b>	<u><b>12</b></u>	<u><b>944,171</b></u>	<u><b>944,183</b></u>
Surplus/ (Deficit) attributable to the Company	-	(10,824)	(10,824)
<b>Balance as at 30 June 2021</b>	<u><u><b>12</b></u></u>	<u><u><b>933,347</b></u></u>	<u><u><b>933,359</b></u></u>

The statement of changes in equity is to be read in conjunction with the audit report and the notes to the financial statements.

**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grant funding and other income		1,948,906	2,301,348
Payments to suppliers and employees		(1,716,047)	(2,482,831)
Interest received		1,122	6,131
<b>Net cash generated from/(used in) operating activities</b>	<b>8</b>	<b><u>233,981</u></b>	<b><u>(175,352)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment			(2,099)
Proceeds from disposal of property, plant and equipment		-	-
<b>Net cash generated from/(used in) investing activities</b>		<b><u>-</u></b>	<b><u>(2,099)</u></b>
Net increase/(decrease) in cash held		<b>233,981</b>	<b>(177,451)</b>
Cash and cash equivalents at beginning of financial year		1,194,324	1,371,775
<b>Cash and cash equivalents at end of financial year</b>	<b>2</b>	<b><u>1,428,305</u></b>	<b><u>1,194,324</u></b>

**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies**

The financial statements and notes represent those of Australia China Business Council, the Company.

**Basis of preparation**

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. the Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**a. Property, Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

**b. Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

**c. Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**Note 1. Statement of Significant Accounting Policies (continued)**

**d. Employee Benefits**

**Short term benefits**

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

the Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of accounts payable and other payables in the statement of financial position.

**Superannuation**

Superannuation contributions are made by the Company to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. the Company has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

**e. Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**f. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

**g. Revenue**

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

**Grant Revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

AUSTRALIA CHINA BUSINESS COUNCIL  
ACN 075 909 625  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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**Note 1. Statement of Significant Accounting Policies (continued)**

**g. Revenue (continued)**

***Donations and Bequests***

Donations and bequests are recognised as revenue when received.

***Interest Revenue***

Interest revenue is recognised as it accrues using the effective method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

**h. Trade and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

**i. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows excluded from the receipts from customers or the payments to suppliers.

**j. Income Tax**

No provision for income tax has been raised as the Company is exempt from income tax under the *Income Tax Assessment Act 1997*.

**k. Trade and Other Receivables**

Accounts receivable and other debtors include amounts due from members, sponsors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**Note 1. Statement of Significant Accounting Policies (continued)**

**I. Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When a company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**m. Significant management judgement in applying accounting policies**

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.

***Estimation uncertainty***

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

***Impairment***

the Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Where an impairment trigger exists, the recoverable amount of the asset is determined.

***Useful Lives of Depreciable 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.

**n. Australian Accounting Standards issued not yet effective**

A number of new standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however the Company has not early adopted the new or amended standards in preparing these financial statements.

The new standards are not expected to have a significant impact on the Company's financial statements, apart from: AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. This standard will remove the ability of the Company to prepare special purpose financial statements and will require the Company to prepare general purpose financial statements – Tier 2; and apply the disclosures set out in AASB 1060.

As the Company does not apply all the recognition and measurement requirements of all Australian Accounting Standards, there will be a material impact on the amounts recognised in the financial statements.



AUSTRALIA CHINA BUSINESS COUNCIL  
ACN 075 909 625  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
<b>Note 2. Cash and Cash Equivalents</b>		
Cash at bank	1,428,341	1,194,360
Cash on hand	-	-
	<u>1,428,305</u>	<u>1,194,324</u>
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	-	-
	<u>1,428,305</u>	<u>1,194,324</u>
	<u>1,428,305</u>	<u>1,194,324</u>
<b>Note 3. Trade and Other Receivables</b>		
Trade debtors	156,833	133,190
Provision for doubtful debts	-	(76,998)
Sundry debtors	-	-
	<u>15,975</u>	<u>49,344</u>
	<u>172,808</u>	<u>105,536</u>
<b>Note 4. Other Current Assets</b>		
Prepayments	-	-
	<u>2,739</u>	<u>2,739</u>
	<u>2,739</u>	<u>2,739</u>
<b>Note 5. Property, Plant and Equipment</b>		
<b>Office furniture</b>		
At cost	2,548	2,548
Less accumulated depreciation	-	-
	<u>(2,548)</u>	<u>(2,548)</u>
	-	-
<b>Office equipment</b>		
At cost	397	397
Less accumulated depreciation	-	-
	<u>(205)</u>	<u>(171)</u>
	<u>192</u>	<u>226</u>
<b>Computer equipment</b>		
At cost	27,987	27,987
Less accumulated depreciation	-	-
	<u>(24,175)</u>	<u>(21,192)</u>
	<u>3,812</u>	<u>6,795</u>
<b>Total property, plant and equipment</b>	<u>4,004</u>	<u>7,021</u>
<b>Reconciliation of movement in carrying values</b>		
Written down value at beginning of the year	7,021	9,516
Additions	-	2,099
Disposals	-	-
Depreciation expense	(3,017)	(4,594)
<b>Written down value at end of the year</b>	<u>4,004</u>	<u>7,021</u>

**AUSTRALIA CHINA BUSINESS COUNCIL**  
**ACN 075 909 625**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
<b>Note 6. Accounts Payable and Other Liabilities</b>		
<b>Current - unsecured</b>		
Accounts payable	1,614	7,122
Other payables	27,241	28,523
Income received in advance	490,698	184,937
GST liability/(asset)	49,494	30,556
PAYG Withholding payable	16,267	21,192
Superannuation payable	<u>22,891</u>	<u>27,946</u>
	-	-
	<u>608,205</u>	<u>300,276</u>
<b>Financial liabilities at amortised cost classified as trade and other payables</b>		
Trade and other payables		
- Total current	608,205	300,276
- Total non-current	-	-
	<u>608,205</u>	<u>300,276</u>
<b>Note 7. Provisions</b>		
<b>Current</b>		
Provision for annual leave	48,960	65,161
Provision for long service leave	<u>17,332</u>	-
	-	-
	<u>66,292</u>	<u>65,161</u>
<b>Non-current</b>		
Provision for long service leave	-	-
	-	-
	<u>-</u>	<u>-</u>
<b>Note 8. Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Operating surplus/(deficit)	(10,824)	(154,806)
<b>Non-cash flows in profit</b>		
Depreciation of non-current assets	3,017	4,594
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade debtors and other debtors	(67,272)	126,535
(Increase)/decrease in prepayments	-	14,516
Increase/(decrease) in accounts and other payables	2,168	(88,493)
Increase/(decrease) in income received in advance	305,761	(104,901)
Increase/(decrease) in employee entitlements	1,131	27,203
	-	-
Cash flow from operations	<u>233,981</u>	<u>(175,352)</u>

**AUSTRALIA CHINA BUSINESS COUNCIL**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**Note 9. Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties and bank loans.

The company does not have any derivative instruments at 30 June 2021.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	<b>2</b>	1,428,305	1,194,324
Trade and other receivables	<b>3</b>	172,808	105,536
Other current assets	<b>4</b>	-	-
		<u>2,739</u>	<u>2,739</u>
		-	-
		<u>1,603,852</u>	<u>1,302,599</u>
<b>Financial Liabilities</b>			
Trade and other payables	<b>6</b>	-	-
		<u>608,205</u>	<u>300,276</u>
		-	-
		<u>608,205</u>	<u>300,276</u>

**(i) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

**(ii) Liquidity Risk**

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.

**(iii) Interest Rate Risk**

The finance committee meets on a regular basis to analyse the interest rate exposure in the context of the most recent economic conditions and forecasts.

**Note 10. 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.

**AUSTRALIA CHINA BUSINESS COUNCIL**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 10. Related Party Transactions (continued)**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>ShineWing Australia Pty Ltd</b>	-	1,000

The nature of transactions included a sublease between ACBC and ShineWing Australia Pty Ltd for the provision of office space for the ACBC New South Wales Branch within the ShineWing offices at Level 8, 167 Macquarie Street, Sydney.

ACBC New South Wales vacated the office space in July 2019.

Tim Hogan-Doran is a former director of ACBC and a director of ShineWing Australia Pty Ltd. Matthew Schofield is a director of ACBC and a director of ShineWing Australia Pty Ltd. The landlord is ShineWing Australia Pty Ltd.

The Directors act in an honorary capacity and are not paid for their services as Directors.

**Note 11. Company Details**

The registered office of the company is:

International Chamber House  
Level 5, 121 Exhibition Street  
Melbourne VIC 3000

The principal place of business of the company is:

International Chamber House  
Level 5, 121 Exhibition Street  
Melbourne VIC 3000

**AUSTRALIA CHINA BUSINESS  
COUNCIL ACN 075 909 625  
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Australia China Business Council, the Directors declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001*, and
  - I. complying with Australian Accounting Standards applicable to the Company; and
  - II. giving a true and fair view of the financial position of the Company's as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Director: David Olsson

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Director: Keith Miranda

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Dated: 25 October 2021



**AUSTRALIA CHINA BUSINESS COUNCIL**  
**A.B.N. 075 909 625**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

***Opinion***

I have audited the accompanying financial report of Australia China Business Council (the company), which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Board of Directors.

In my opinion, the accompanying financial report of Australia China Business Council is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance and cash flows for the year ended on 30 June 2021; and
- ii. complying with Australian Accounting Standards and The Corporations Act 2001.

***Basis of Opinion***

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

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

**Emphasis of Matter - Basis of Accounting and Restriction on Distribution**

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Australia China Business Council to meet the requirements of the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



# Collins & Co Audit Pty Ltd

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## ***Auditor's Responsibilities for the Audit of the Financial Report***

My 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 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.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

**Frederik Ryk Ludolf Eksteen CA**  
ASIC Auditor Registration Number 421448

**Collins & Co Audit Pty Ltd**  
127 Paisley Street  
FOOTSCRAY VIC 3011

**Dated this 26th day of October 2021**