

**CHAMBER OF COMMERCE AND  
INDUSTRY OF WESTERN AUSTRALIA (INC)  
AND ITS CONTROLLED ENTITIES  
(ARBN 099 891 611)**

**ANNUAL REPORT – 30 June 2018**

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
AND ITS CONTROLLED ENTITIES  
(ARBN 099 891 611)**

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The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 24 August 2018. The directors have the power to amend and reissue the financial statements.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
AND ITS CONTROLLED ENTITIES  
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**CORPORATE DIRECTORY**

**General Council**

The names of persons who were Members of the General Council of the Chamber of Commerce and Industry of Western Australia (Inc) during the financial year are as follows:

R Sputore (President)	D Johnston	J K Atkins *
S Cole (Vice President)	T Joyner	W H Clough*
N Jenkins (Vice President)	J L Langoulant **	R L Day*
Prof. K Anderson	J Marr ***	Dr P R Flett *
K Brown ***	C Matthews	D J Gray*
A Byk	J Mackenzie ***	G J Greig*
B Darley	T Murray	W D Hemsley*
A Hall ***	K Prodonovich	Dr B E Hewitt*
S Harris	P Shannon	A J Howarth *
A Hill	D Sproule	P Leighton *
P J Hood	M Stafford	F A Manford*
T Horton **	J Stagg	L G Rowe*
C How ***	F Tudor	A G Thompson*
M Hunter **		A K R Watson*

(\* Life Member)

(\*\* Ceased during 2017/18)

(\*\*\* Joined during 2017/18)

**Executive Management**

**Chief Executive Officer**

Ms D E Willmott (resigned 1/2/18)

Mr C S Rodwell (appointed 1/2/18)

**Notice of Annual General Meeting**

The Annual General Meeting of the Chamber of Commerce and Industry of Western Australia (Inc)

**will be held at** 180 Hay Street, East Perth

**time** 3.30 pm

**date** Thursday, 25 October 2018

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**CORPORATE DIRECTORY (Continued)**

**Principal registered office  
in Australia**

180 Hay Street  
East Perth WA 6004  
(08) 9365 7555

**Auditor**

PricewaterhouseCoopers  
125 St George Terrace,  
Perth WA 6000, Australia

**Banker**

St George Bank Limited  
Level 11, 152 -158 St Georges Terrace  
Perth WA 6000

**Website address**

[www.cciwa.com](http://www.cciwa.com)

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**DIRECTORS' REPORT**

The directors present their report on the Chamber of Commerce and Industry of Western Australia (Inc) and its controlled entities for the year ended 30 June 2018. The financial report covers both the Chamber of Commerce and Industry of Western Australia (Inc) (CCI) as an individual entity and the consolidated entity consisting of the Chamber of Commerce and Industry of Western Australia (Inc), Apprenticeships Australia Pty Ltd and Business Law WA Pty Ltd.

The Chamber of Commerce and Industry of Western Australia (Inc) is an incorporated association domiciled in Western Australia.

**Directors**

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

**Board of Directors**

Dr A J Kantsler (Chairperson) (resigned 22 December 2017)  
Mr R Sputore (Chairperson) (appointed 26 October 2017)  
Mr S G Harris  
Mr P J Hood  
Ms T A Horton (resigned 26 October 2017)  
Mr T Joyner  
Ms N Jenkins  
Mr S Cole  
Ms A Hall

**Chief Executive Officer**

Ms D E Willmott (resigned 1 February 2018)  
Mr C S Rodwell (appointed 1 February 2018)

**Public Officer**

Mr J Bowler (resigned 6 December 2017)  
Mr M J A Golds (appointed 6 December 2017)

**Remuneration of Members of the General Council and Board**

None of the Members of the General Council or Board receive any form of remuneration for their services.

**Principal Activities**

CCI uses its knowledge, influence and support to create an economic environment that encourages free enterprise and support for all businesses, predominantly in Western Australia. During the year the principal continuing activities of the Group consisted of providing a range of services including but not limited to Employer Relations Advice, Training, Apprentice Employment, On-site specialist IR support and International Trade Services. These services underpin and enable the provision of our significant advocacy activities which are conducted in order to make it easier to conduct business in Western Australia.

**Dividends**

Under the terms of the Constitution, there is no ability for the directors to declare a dividend.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**DIRECTORS' REPORT (Continued)**

**Review of Operations**

A summary of revenues and results by significant activities is set out below:

	<b>Revenue</b>		<b>Results</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Subscription Revenue	4,850,672	4,972,983		
Service Revenue	17,117,941	38,923,345		
Service Contract	2,498,979	1,956,060		
Interest Received	70,430	66,754		
Rental Income	157,966	133,644		
Fair Value Adjustment on Investment Funds Portfolio	527,254	1,286,923		
Distribution Income	1,323,733	206,162		
Gain on disposal of property, plant and equipment	1,372,136	42,417		
Gain on sale of business – Group Training Organisation	-	448,506		
Gain on sale of business – Migration Services	-	150,000		
	<u>27,919,111</u>	<u>48,186,794</u>		
Profit/(Loss) before Income Tax Expense			2,120,423	(886,999)
Income Tax Expense			4,165	(48,684)
Profit/(Loss) after Income Tax Expense			<u>2,124,588</u>	<u>(935,683)</u>

Comments on operations and the results of those operations are set out below:

In the year CCI continued its mission to be the champions for business promoting free enterprise, providing value adding services and strong advocacy on the issues that matter to the West Australian business community.

CCI initiated and delivered a significant change program over the past 18 months to address a declining revenue base driven from changes in the market place. Whilst maintaining a continued focus on cost efficiency and operational improvements, the delivery of which has positioned CCI for future success. There has been a significant improvement in the 2018 operating performance compared to the prior year moving from a (\$0.9m) loss in 2017 to a \$2.1m profit in 2018. Total revenues reduced by 42% year on year primarily due to the successful divestment of the Group Training Organisation and Migration Services business in 2017 and the close down of Industrial Training Institute in 2018 which were part of the change program plan. These changes will enable CCI to focus on delivering excellence to members in the core service areas of advocacy and membership services.

CCI believes in good business and is committed to put members at the centre of everything we do.

CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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DIRECTORS' REPORT (Continued)

**Matters Subsequent to the end of the Financial Year**

There have been no matters subsequent to year end that have come to our attention.

**Environmental Regulation**

CCI is subject to minimal environmental regulation in respect of its operations.

**Insurance of Officers**

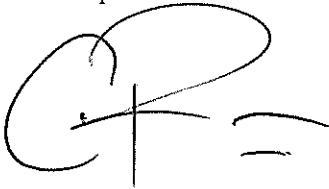
During the financial year, CCI paid a premium to insure all present and past directors and officers of CCI and its subsidiaries. The insurance grants indemnity against liabilities of directors and officers. In accordance with normal commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

**Auditor**

PricewaterhouseCoopers continues in office in accordance with the policy of the Parent Entity.

A copy of the Auditor's Independence Declaration as required under section 60:40 of the *Australian Charities and Not-for-Profits Commission Act 2012* is set out on page 6.

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



C S Rodwell  
Chief Executive Officer



M J A Golds  
Director of Finance

Perth  
24 August 2018



### *Auditor's Independence Declaration*

As lead auditor for the audit of Chamber of Commerce and Industry of Western Australia (Inc) for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Chamber of Commerce and Industry of Western Australia (Inc) and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'W P R Meston', is written over a faint horizontal line.

William P R Meston  
Partner  
PricewaterhouseCoopers

Perth  
24 August 2018



**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**CORPORATE GOVERNANCE STATEMENT**

The Chamber of Commerce and Industry of Western Australia (Inc) (CCI) and the Board are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of members.

The relationship between the Board and senior management is critical to the Group's long-term success. The directors are responsible to the members for the performance of the Group in both the short and the long term and seek to serve the interests of members, employees, clients and the broader community honestly, fairly, diligently and in accordance with the governing constitution and board charter.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Management.

A description of the group's main corporate governance practices is set out below. All these practices unless otherwise stated, were in place for the entire year.

**The Board of Directors**

The Board operates in accordance with the principles set out in its charter and the governing constitution. The constitution details the Board's composition and responsibilities.

***Board Composition***

The constitution states:

- the Board is to be comprised of the President of the General Council, a further six directors appointed by and from the members of the General Council and up to a further two directors may be appointed by the Board.
- the President of the General Council is the chairperson of the Board.
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, it is the express objective of the Board to comprise a majority of independent directors.
- the Board is required to undertake an annual performance review and consider the appropriate mix of skills required to maximise its effectiveness and its contribution.

***Responsibilities***

The responsibilities of the Board include:

- charting the operational directions, strategies and financial objectives and ensuring appropriate resources are available;
- monitoring the implementation and achievements by senior executives of the operational directions, strategies and financial objectives;
- monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
- reporting to members on the performance and state of the Group, and
- reviewing on a regular and continuing basis:
  - i) executive succession planning including the Chief Executive Officer; and
  - ii) executive performance and development activities.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**CORPORATE GOVERNANCE STATEMENT (Continued)**

***Board Members***

Details of members of the Board and appointment dates are set out in the directors' report.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective; and
- the size of the Board is conducive to effective discussion and efficient decision making.

***Term of Office***

The CCI's constitution specifies that a director shall retire from office no later than:

- the conclusion of the first meeting of the board after the Annual General Meeting occurring after the anniversary of the twelfth (12) consecutive year in office by that director since the director's first appointment.

***Independent Professional Advice***

Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at CCI's expense. Prior written approval of the Chairperson is required, but this will not be unreasonably withheld.

***Corporate Reporting***

The Chief Executive Officer and the Director of Finance have made the following certifications to the Board:

- that the financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the CCI and Group; and
- are in accordance with the relevant accounting standards, to the extent described in the financial report.

***Board Committees***

The Board has a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Nomination, Remuneration and Audit and Risk committees. Each is comprised entirely of non-executive directors.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed annually. All matters determined by the committees are submitted to the full Board as recommendations for Board decisions.

Minutes of committee meetings are tabled at the subsequent Board meeting.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**CORPORATE GOVERNANCE STATEMENT (Continued)**

**Nomination Committee**

The nomination Committee consists of the following non-executive directors:

Dr A J Kantsler (Chairperson) (resigned as Chair 26/10/17, and from Committee 22/12/17)  
Mr R Sputore (Chairperson) (appointed 26/10/17 as Chairperson)  
Ms T A Horton (resigned 26/10/17)  
Mr P J Hood  
Ms N Jenkins (appointed 22/2/18)

The Nomination Committee operates in accordance with its charter and the main responsibilities of the committee are to:

- review and make recommendations on the operation and performance of the board, particularly in respect of the membership of the Board.
- review the Board composition and make recommendation for appointments to the Board (including the retirement and/or removal of directors):
  - i) to fill a vacancy;
  - ii) to fill casual vacancies;
  - iii) where the committee considers the board would benefit from the services of a new director with the necessary or desirable expertise or skills.
- review the Board's succession plans.
- ensure an effective induction program is in place for directors.
- review the composition of the Board committees and submit recommendations to the Board for changes to those committees when it is considered appropriate.

**Remuneration Committee**

The Remuneration Committee consists of the following non-executive directors:

Dr A J Kantsler (Chairperson) (resigned as Chair 26/10/17, and from Committee 22/12/17)  
Mr R Sputore (Chairperson) (appointed 26/10/17 as Chairperson)  
Ms T A Horton (resigned 26/10/17)  
Mr S Cole (appointed 22/2/18)  
Ms N Jenkins (appointed 22/2/18)

The Remuneration Committee operates in accordance with its charter and the main responsibilities of the committee are to:

- review and recommend to the Board, remuneration policies and packages for the Chief Executive Officer and Chief Officers.
- recommend to the Board any changes in remuneration policy including superannuation, other benefits and remuneration structure for executives and which is likely to have a material impact on CCI.
- review and recommend to the Board proposals for short and long term incentive programs for executives.
- review and recommend to the Board any changes to non-executive directors' fees.
- be informed of and consulted on:
  - i) current trends in executive remuneration and associated incentive initiatives.
  - ii) legislative issues associated with executive remuneration programs; and
  - iii) current remuneration strategies applicable to all staff.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**CORPORATE GOVERNANCE STATEMENT (Continued)**

**Audit and Risk Committee**

The Audit and Risk Committee consists of the following non-executive directors:

Mr S Harris (Chairperson) (resigned 26/10/17)  
Ms A Hall (Chairperson) (appointed 26/10/17)  
Mr T Joyner  
Ms N Jenkins (resigned 22/2/18)  
Mr S Cole  
Mr R Sputore (appointed 22/2/18)

The Audit and Risk Committee operates in accordance with its charter and the main responsibilities of the committee are to:

- monitor the procedures in place to ensure that CCI's external financial reporting is in compliance with the Incorporated associations Act 2015, The Australian Charities and Not-for-profits Act, Corporations Act (where applicable), Accounting Standards and other legislative and reporting requirements. In relation to this the Committee shall:
  - i) Review, assess and make recommendations on the appropriateness of accounting policies and principles.
  - ii) Review, assess and make recommendations on any significant estimates and judgements in financial reports.
  - iii) Upon receipt of information from management relating to accounting policy choice or method for making significant judgements, seek the opinion and view of external auditors.
  - iv) Review and assess information from external auditors that may affect the quality of financial reports.
  - v) Review and assess documents and reports to relevant regulators and make recommendations to the Board on their approval or amendment.
- make recommendations on the appointment of the external auditor and to monitor the effectiveness and independence of the external auditor.
- review the appropriateness of the internal and external audit approach, scope and methodology, ensure both internal and external audit is adequate, and emphasis is placed on areas where the Committee, management or the auditors believe special attention is necessary.
- ensure there have been no unjustified restrictions or limitations placed on the auditors (internal and external).
- review the efficiency and effectiveness of the internal and external auditors in relation to their respective responsibilities.
- review all internal and external audit reports to ensure that if material deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management.
- review and assess non-audit service provision by the external auditor, with particular consideration to the potential for the provision of these services to impair the external auditor's judgement or independence.
- review and make recommendations on the external auditor's audit fee. In addition to reviewing the audit fee, the Committee should review and assess total fees paid to the external auditor, considering in particular fees for non-audit services and these fees as a proportion of total fees
- be satisfied that effective systems of accounting, legal and internal control are established and maintained to manage corporate risk.
- be satisfied that audit has appropriate involvement in corporate risk assessment.
- ensure that CCI has an effective risk management system in place, and that the Committee assesses this system.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**CORPORATE GOVERNANCE STATEMENT (Continued)**

**Audit and Risk Committee (Continued)**

- ensure the Board is aware of any matters that might have a significant impact on the financial condition of CCI.
- review reports on any major defalcations, frauds and thefts from CCI and to ensure that internal control procedures are adequate.
- review the accounting and financial impact of significant transactions and projects which are not a normal part of the entity's business.
- review proposed transactions between CCI, its directors and members of management with a view to avoiding conflicts of interest.
- To oversee and review findings and recommendations made by the Investment Committee as outlined in CCI Investment Advisory Committee Charter
- report any matter that the Committee considers should be brought to the attention of the Board.
- undertake any task or action that the Board requests or authorises, and
- assess its own performance on a regular basis.

**External Auditors**

The Board through the Audit and Risk Committee, appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually. PricewaterhouseCoopers was first appointed as the external auditor in 1998 and have been reappointed each year by a motion at the Annual General Meeting.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the annual report, in note 3 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The external auditors meet twice yearly with the Audit and Risk Committee and attend the annual general meeting and are available to answer any member questions about the conduct of the audit and the preparation and content of the audit report.

**Risk Assessment and Management**

The Board, through the Audit and Risk Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, these policies are designed to protect CCI's members, clients and staff, CCI's reputation, CCI's position as a provider of quality business services and products and its assets.

CCI's risk management policy and the operation of the risk managements and compliance system are managed by the executive, with delegated authority through the Chief Executive Officer, to the Director of Operations for day to day management.

Regular reports are provided to the Board, via the Audit and Risk Committee and on an annual basis the policy and strategy is reviewed.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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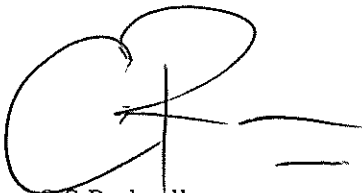
**STATEMENT OF THE CHIEF EXECUTIVE OFFICER AND  
DIRECTOR OF FINANCE**

As detailed in Note 1 to the financial statements, the Chamber of Commerce and Industry of Western Australia (Inc) (CCI) is not a reporting entity because, in the opinion of the Board of Directors, there are no users dependant on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the financial reporting requirements of the Constitution and the needs of the Members.

The financial report is prepared in accordance with the books and records of the CCI and applicable Accounting Standards and other mandatory professional reporting requirements, to the extent described in Note 1.

In the Director's opinion, the financial statements and notes set out on pages 13 to 37 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and S.74 of the Associations Incorporation Act 2015 including:

- i) Complying with the Australian Accounting Standards, the *Australian Charities and Not-for-profit Commission Act 2012* and other mandatory professional reporting requirements; and
- ii) Giving a true and fair view of CCI's financial position as at 30 June 2018 and its performance for the financial year ended on that date.



C S Rodwell  
Chief Executive Officer



M J A Golds  
Director of Finance

Perth WA

24 August 2018

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 June 2018**

	Notes	Consolidated		Parent Entity	
		2018 \$	2017 \$	2018 \$	2017 \$
<b>Revenues</b>					
Revenue	2	27,919,111	47,545,871	26,267,823	46,995,269
Other income	2	-	640,923	-	165,678
Total revenue and other income		<u>27,919,111</u>	<u>48,186,794</u>	<u>26,267,823</u>	<u>47,160,947</u>
<b>Expenditure from Operating Activities</b>					
Employee benefits expenses		(16,415,258)	(37,577,369)	(16,415,258)	(37,577,369)
Depreciation and amortisation expenses	3	(685,830)	(678,218)	(376,963)	(270,971)
Impairment expense	3	(4,501)	(254,327)	(13)	(254,327)
Borrowing expenses	3	(17,501)	(22,772)	(171,260)	(197,610)
Service contract expenses		(2,498,979)	(1,956,060)	(2,798,979)	(1,956,060)
Insurance expenses		(293,193)	(484,068)	(213,554)	(406,155)
Rental expenses		-	-	(1,108,775)	(1,137,756)
General and administrative expenses		(5,883,426)	(8,100,979)	(4,543,424)	(5,147,868)
<b>Total expenditure</b>		<u>(25,798,688)</u>	<u>(49,073,793)</u>	<u>(25,628,226)</u>	<u>(46,948,116)</u>
<b>Profit/(Loss) for the year</b>		<b>2,120,423</b>	<b>(886,999)</b>	<b>639,597</b>	<b>212,831</b>
Income tax expense	4	4,165	(48,684)	-	-
<b>Total Comprehensive Income/(Loss)</b>	15	<u><b>2,124,588</b></u>	<u><b>(935,683)</b></u>	<u><b>639,597</b></u>	<u><b>212,831</b></u>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 June 2018**

	Notes	Consolidated		Parent Entity	
		2018 \$	2017 \$	2018 \$	2017 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	7,352,437	2,782,456	1,700,913	692,697
Receivables	6	2,357,074	4,117,472	1,715,210	2,419,469
Financial assets at fair value through profit or loss	8	20,889,185	19,390,319	20,889,185	19,390,319
Carnet trust	9	97,633	23,188	97,633	23,188
Current Tax asset		38,664	-	-	-
Unspent service contracts		22,442	166,702	22,442	166,702
<b>Total Current Assets</b>		<b>30,757,435</b>	<b>26,480,137</b>	<b>24,425,383</b>	<b>22,692,375</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	10(a)	8,946,044	11,822,458	363,226	490,057
Intangible assets	10(b)	1,394,973	1,597,325	1,394,972	1,593,341
Deferred tax asset	7	3,473	6,237	-	-
Other financial assets	10(c)	35	35	111	111
<b>Total Non-Current Assets</b>		<b>10,344,525</b>	<b>13,426,055</b>	<b>1,758,309</b>	<b>2,083,509</b>
<b>TOTAL ASSETS</b>		<b>41,101,960</b>	<b>39,906,192</b>	<b>26,183,692</b>	<b>24,775,884</b>
<b>CURRENT LIABILITIES</b>					
Payables	11	1,619,583	2,557,351	12,682,858	11,990,646
Income tax payable		-	50,166	-	-
Deferred revenue		2,111,313	1,582,898	2,111,313	1,566,013
Employee entitlements	12	1,421,939	1,799,668	1,421,939	1,799,668
Carnet trust	9	97,633	23,188	97,633	23,188
Unspent service contracts		327,393	418,396	327,393	418,396
<b>Total Current Liabilities</b>		<b>5,577,861</b>	<b>6,431,667</b>	<b>16,641,136</b>	<b>15,797,911</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee entitlements		133,593	208,607	133,593	208,607
<b>Total Non-Current Liabilities</b>		<b>133,593</b>	<b>208,607</b>	<b>133,593</b>	<b>208,607</b>
<b>TOTAL LIABILITIES</b>		<b>5,711,454</b>	<b>6,640,274</b>	<b>16,774,729</b>	<b>16,006,518</b>
<b>NET ASSETS</b>		<b>35,390,506</b>	<b>33,265,918</b>	<b>9,408,963</b>	<b>8,769,366</b>
<b>EQUITY</b>					
Reserves	13	-	595,000	-	595,000
Business research and development fund	14	191,878	191,878	191,878	191,878
Retained profits	15	35,198,628	32,479,040	9,217,085	7,982,488
<b>TOTAL EQUITY</b>		<b>35,390,506</b>	<b>33,265,918</b>	<b>9,408,963</b>	<b>8,769,366</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*



**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 June 2018**

<b>Consolidated</b>	<b>Reserves</b>	<b>Business Research &amp; Development Fund</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	595,000	250,000	33,414,723	34,259,723
(Loss) for the period	-	-	(935,683)	(935,683)
Research and development expense	-	(58,122)	-	(58,122)
Total comprehensive income for the year ended 30 June 2017	-	(58,122)	(935,683)	(993,805)
<b>Balance at 30 June 2017</b>	595,000	191,878	32,479,040	33,265,918
<b>Balance at 1 July 2017</b>	595,000	191,878	32,479,040	33,265,918
Profit for the period	-	-	2,124,588	2,124,588
Transfer to retained earnings	(595,000)	-	595,000	-
Total comprehensive income for the year ended 30 June 2018	(595,000)	-	2,719,588	2,124,588
<b>Balance at 30 June 2018</b>	-	191,878	35,198,628	35,390,506
 <b>Parent Entity</b>	 <b>Reserves</b>	 <b>Business Research &amp; Development Fund</b>	 <b>Retained Earnings</b>	 <b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	595,000	250,000	7,769,657	8,614,657
Profit for the period	-	-	212,831	212,831
Research and development expense	-	(58,122)	-	(58,122)
Total comprehensive income for the year ended 30 June 2017	595,000	(58,122)	212,831	154,709
<b>Balance at 30 June 2017</b>	595,000	191,878	7,982,488	8,769,366
<b>Balance at 1 July 2017</b>	595,000	191,878	7,982,488	8,769,366
Profit for the period	-	-	639,597	639,597
Transfer to retained earnings	(595,000)	-	595,000	-
Total comprehensive income for the year ended 30 June 2017	(595,000)	-	1,234,597	639,597
<b>Balance at 30 June 2018</b>	-	191,878	9,217,085	9,408,963

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 June 2018**

	Notes	Consolidated		Parent Entity	
		2018	2017	2018	2017
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of GST)		30,015,007	51,732,261	26,900,020	49,438,717
Payments to suppliers and employees (inclusive of GST)		(29,180,090)	(53,986,830)	(27,362,703)	(50,782,455)
Income taxes paid		(81,901)	(10,054)	-	-
Interest received		70,430	66,754	11,436	17,503
<b>Net cash inflow/(outflow) from operating activities</b>	16	<u>823,446</u>	<u>(2,197,869)</u>	<u>(451,247)</u>	<u>(1,326,235)</u>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		3,899,744	593,044	55,547	128,688
Payments for property, plant and equipment		(153,209)	(1,497,447)	(110,242)	(1,447,196)
Proceeds from sales of business		-	1,345,630	-	150,000
<b>Net cash inflow/(outflow) from investing activities</b>		<u>3,746,535</u>	<u>441,227</u>	<u>(54,695)</u>	<u>(1,168,508)</u>
<b>Cash flows from financing activities</b>					
Loans to related parties		-	-	(4,014,583)	(31,987,212)
Repayments from related parties		-	-	5,528,741	33,706,422
<b>Net cash inflow from financing activities</b>		<u>-</u>	<u>-</u>	<u>1,514,158</u>	<u>1,719,210</u>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		4,569,981	(1,756,642)	1,008,216	(775,533)
Cash and Cash Equivalents at the beginning of the financial year		2,782,456	4,539,098	692,697	1,468,230
<b>Cash and Cash Equivalents at the end of the financial year</b>	5	<u>7,352,437</u>	<u>2,782,456</u>	<u>1,700,913</u>	<u>692,697</u>

*The above Statement of Cash Flows should be read in conjunction with accompanying notes.*

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of the Chamber of Commerce and Industry of Western Australia (Inc) and its subsidiaries.

Comparative information is reclassified where appropriate to enhance comparability.

(a) Basis of preparation

(i) *Special purpose financial report*

In the directors' opinion, CCI is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose to meet the financial reporting requirements of the *Australian Charities and Not-for-profit Commission Act 2012, S.74 of the Associations Incorporation Act 2015* and of the Constitution.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. It contains only those disclosures considered necessary by the directors to meet the needs of the members. The Chamber of Commerce and Industry of Western Australia (Inc) and its controlled entities is a not-for-profit entity for the purpose of preparing financial statements.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(ii) *New and amended standards adopted by the group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by CCI as at the end of financial year and the results of all controlled entities for the year then ended. CCI and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Investments in associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the company and its associates are eliminated to the extent of the company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the company.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the members of the group.

(c) Income Tax

- (i) CCI (Parent entity) is exempt from income tax under section 50-40 of Income Tax Assessment Act (1997).
- (ii) Apprenticeships Australia Pty Ltd, a wholly owned subsidiary, is exempt from income tax via an endorsement as an Income Tax Exempt Charitable entity received from the Australian Taxation Office with effect from 1 July 2003.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(c) Income Tax (continued)

(iii) Business Law WA Pty Ltd, a wholly owned subsidiary, is subject to income tax.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(d) Property, Plant and Equipment

Land and Buildings are recorded at cost plus incidental costs directly attributable to their acquisition. All other property, plant and equipment are recognised at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(e) Intangible Assets

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to computer software. Costs capitalised include external direct costs of materials and service.

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software – 3 - 10 years

(f) Depreciation and amortisation

Depreciation is calculated on either a straight line or a reducing balance basis so as to write off the net cost of each fixed asset during its expected useful life. The rates applied are as follows:

Motor vehicles	25%	Reducing Balance
Equipment and fixtures	10% - 33%	Reducing Balance
Buildings	1% - 4%	Reducing Balance
Computer Equipment/IT Equipment	10% -16.66%	Straight Line

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(g) Leased Non-Current Assets

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

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

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

(h) Employee Entitlements

(i) *Wages and salaries, and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are measured at the amount expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for the long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departure 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.

(iii) *Employee benefit on-costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- (i) Service Contracts  
Cash received for specific service activities of CCI in advance of services performed are recorded as a liability. As expenditure is incurred for the activity, the liability is reduced. The balance of funds of this nature is recorded in liabilities as 'unspent service contracts'. Revenue and expenditure relating to the conduct of these service contracts is reflected in the accounts of CCI.
- (j) Revenue Recognition  
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow into the entity and specific criteria have been met for each of the group's activities as described below:

*Subscription Revenue*

Subscription revenue is derived from membership subscriptions which expire on an annual basis. This revenue is recognised on a straight-line basis over the subscription period. The subscription revenue is measured at the fair value of the consideration received.

*Service Revenue*

Service revenue is generated through consultant services provided to members. This revenue is recognised in the accounting period in which the services are rendered. The service revenue is measured at the fair value of the consideration received or receivable from customers.

*Staff Resource Fees*

Staff resource fee revenue is derived from the recharge of employee benefits expense incurred by CCI on behalf of its subsidiaries (revenue is eliminated upon consolidation). Revenue is recorded in the accounting period in which the underlying employee benefits expense has been incurred and measured at the fair value of the amount receivable.

*Administration Fees*

Administration fee revenue is derived from the recharge of overhead expenses incurred by CCI on behalf of its subsidiaries (revenue is eliminated upon consolidation). Revenue is recorded in the accounting period in which the underlying expense has been incurred and measured at the fair value of the amount receivable.

*Interest Income*

Interest income is recognised using the effective interest method.



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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(k) Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(l) Trade Receivables

Trade receivables are recognised at fair value less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other income in profit and loss.

(m) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days end of month.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

(n) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

(o) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below:

<b>Title of standard</b>	<b>Nature of changes</b>	<b>Impact</b>
<p>AASB 9 <i>Financial Instruments</i> –</p> <p><i>(Must be applied for financial years commencing on or after 1 January 2018)</i></p> <p><i>(The company will apply AASB 9 from 1 July 2018)</i></p>	<p>AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.</p>	<p>While the company has yet to undertake a detailed assessment of the classification and measurement of financial assets, the changes to the classification and measurement of financial assets and financial liabilities are not expected to have a material impact on the financial statements of the group.</p>
<p>AASB 15 <i>Revenue from Contracts with Customers</i> –</p> <p><i>(Must be applied for Not for Profit entity's financial years commencing on or after 1 January 2019)</i></p> <p><i>(The company will apply AASB 15 from 1 July 2019)</i></p>	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.</p> <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p>	<p>Management is currently assessing the effects of applying the new standard on the company's financial statements and has not yet identified any specific areas which may be affected.</p> <p>At this stage, the group is not able to estimate the effect of the new rules on the group's financial statements. The group will make more detailed assessments of the impact over the next twelve months.</p>
<p>AASB 16 <i>Leases</i> –</p> <p><i>(Must be applied for financial years commencing on or after 1 January 2019)</i></p> <p><i>(The company will apply AASB 16 from 1 July 2019)</i></p>	<p>AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.</p> <p>The accounting for lessors will not significantly change.</p>	<p>The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has \$489,870 operating lease commitments. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the company's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.</p>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**2 REVENUE**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Subscription revenue	4,850,672	4,972,983	4,850,672	4,972,983
Service revenue	17,117,941	38,923,345	8,995,443	9,677,516
Service contract revenue	2,498,979	1,956,060	2,798,979	1,956,060
	<u>24,467,592</u>	<u>45,852,388</u>	<u>16,645,094</u>	<u>16,606,559</u>
<b>Other Revenue</b>				
Interest received	70,430	66,754	11,436	17,503
Rental Income	157,966	133,644	-	-
Fair value adjustment from investment designated at fair value through profit or loss	527,254	1,286,923	527,254	1,286,923
Distribution Income	1,323,733	206,162	1,323,733	206,162
Staff resource fee	-	-	5,469,446	24,062,879
Administration fee	-	-	2,283,795	4,815,243
	<u>2,079,383</u>	<u>1,693,483</u>	<u>9,615,664</u>	<u>30,388,710</u>
<b>Profit and other Income</b>				
Gain on disposal of property, plant and equipment	1,372,136	42,417	7,065	15,678
Gain on Sale of business – Group Training Organisation	-	448,506	-	-
Profit on Sale of business – Migration	-	150,000	-	150,000
	<u>1,372,136</u>	<u>640,923</u>	<u>7,065</u>	<u>165,678</u>
	<u>27,219,111</u>	<u>48,186,794</u>	<u>26,267,823</u>	<u>47,160,947</u>

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**3 EXPENSES**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
Expenditure from operating activities includes the following specific expenses:				
<b>Expenses</b>				
<b>Borrowing Expenses</b>				
Interest and finance charges	17,501	22,772	171,260	197,610
Loss on disposal of property, plant and equipment	10,722	23,448	9,991	-
<b>Depreciation and amortisation</b>				
Building depreciation	157,374	182,876	-	-
Plant & equipment depreciation	327,432	332,656	176,602	109,878
Computer Software amortisation	201,024	162,686	200,361	161,093
Total Depreciation and amortisation	685,830	678,218	376,963	270,971
<b>Impairment</b>				
Plant & Equipment	4,495	-	7	-
Computer Software	6	254,327	6	254,327
Total Impairment	4,501	254,327	13	254,327
<b>Auditor's remuneration</b>				
<b>PricewaterhouseCoopers</b>				
Audit services	68,892	84,809	41,146	49,814
Other Assurance Services (Service Contracts)	4,500	9,000	4,500	9,000
Other services	-	36,000	-	-
	73,392	129,809	45,646	58,814
Rental expense relating to operating leases	438,790	628,013	67,388	466,759

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**4 INCOME TAX EXPENSE**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
(a) Income Tax Expense				
Current Tax	(692)	54,921	-	-
Deferred Tax	2,764	(6,237)	-	-
Adjustments for current tax of prior periods	(6,237)	-		
	<u>(4,165)</u>	<u>48,684</u>	-	-

Deferred income tax expense included in income tax expense comprises:

Decrease/(Increase) in deferred tax assets (note 7)	<u>2,764</u>	<u>(5,126)</u>	-	-
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	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit/(Loss) from continuing operations	2,120,423	(886,999)	639,597	212,831
Tax at the Australian tax rate of 27.5%	583,116	292,609	175,889	58,528
Income Tax Exempt	(581,044)	(243,925)	(175,889)	(58,528)
Adjustments for current tax of prior periods	(6,237)	-	-	-
<b>Income Tax Expense</b>	<u>(4,165)</u>	<u>48,684</u>	-	-

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**5 CURRENT ASSETS – Cash and Cash Equivalents**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	7,352,437	2,782,456	1,700,913	692,697
	<u>7,352,437</u>	<u>2,782,456</u>	<u>1,700,913</u>	<u>692,697</u>

**6 CURRENT ASSETS – Receivables**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade debtors	1,749,828	3,366,802	1,333,756	1,508,046
Less: Provision for impairment	(7,585)	(38,926)	(7,195)	(15,724)
Prepayments	582,589	743,304	316,940	545,999
Rental bonds	20,877	18,800	15,477	13,400
Other Debtors	11,365	27,492	11,365	27,492
	<u>2,357,074</u>	<u>4,117,472</u>	<u>1,670,343</u>	<u>2,079,213</u>
Loan to controlled entities				
- Business Law WA Pty Ltd	-	-	44,867	340,256
	<u>2,357,074</u>	<u>4,117,472</u>	<u>1,715,210</u>	<u>2,419,469</u>

**7 NON - CURRENT ASSETS – Deferred Tax Asset**

The balance comprises of temporary differences attributable to:

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Payables	107	1,444	-	-
Receivables	3,366	4,793	-	-
	<u>3,473</u>	<u>6,237</u>	<u>-</u>	<u>-</u>
Deferred tax assets expected to be recovered within 12 months	3,473	6,237	-	-
	<u>3,473</u>	<u>6,237</u>	<u>-</u>	<u>-</u>

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**8 CURRENT ASSETS – Financial assets at fair value through profit or loss**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
At 1 July	19,390,319	20,876,068	19,390,319	20,876,068
Redemption	-	(3,000,000)	-	(3,000,000)
Fair value adjustment	527,254	1,286,923	527,254	1,286,923
Distribution income	971,612	227,328	971,612	227,328
At 30 June	<u>20,889,185</u>	<u>19,390,319</u>	<u>20,889,185</u>	<u>19,390,319</u>

Investments held at Fair Value through profit and loss are marked to market and any net movement during the reporting period is recognised through the profit and loss account. The fair value of the financial instruments that are not traded in active market is determined using valuation techniques which maximise the use of observable market data. The fair value is based on observable inputs only and as such the financial instrument is classified in level 2 of the fair value hierarchy.

CCI changed provider of its Investment portfolio management from Mercer to MFCo Mutual Trust between December 2017 and February 2018.

***(i) Classification of financial assets at fair value through profit or loss***

The group classifies the financial asset at fair value through profit and loss if the investment is managed and its performance evaluated on a fair value basis in accordance with the group's documented risk management strategy and information is provided about the investment on that basis to the entity's key management personnel.

***(ii) Amounts recognised in profit or loss***

Changes in fair value of financial assets at fair value through profit or loss are recorded in other income or other expenses in profit or loss 2018: gain \$1,924,253 (2017: gain \$1,514,251)

***(iii) Risk exposure and fair value measurements***

The group's risk management is carried out by the Finance Department under policies approved by the board of directors. The policy provides written principles for overall risk management.

**9 CARNET TRUST**

The Carnet Trust is available to facilitate the temporary duty-free importation of goods into countries and provides security for the payment of any Customs' duties and other taxes chargeable should the goods not subsequently be re-exported. This is required to be lodged with CCI as security, an amount equal to the highest assessment of duties and taxes payable plus 10% thereof.

The amounts held in Trust are not available funds for CCI.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
AND ITS CONTROLLED ENTITIES  
(ARBN 099 891 611)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**10 NON-CURRENT ASSETS**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>(a) Property, Plant and Equipment</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land and buildings – cost	10,864,824	13,694,167	-	-
Less: Accumulated depreciation and impairment expense	(3,023,225)	(3,663,200)	-	-
	<u>7,841,599</u>	<u>10,030,967</u>	-	-
Plant and equipment – cost	4,267,319	5,513,271	741,295	741,301
Less: Accumulated depreciation and impairment expense	(3,302,842)	(3,854,713)	(518,036)	(384,177)
	<u>964,477</u>	<u>1,658,558</u>	<u>223,259</u>	<u>357,124</u>
Motor vehicles – cost	348,256	396,799	348,256	396,799
Less: Accumulated depreciation and impairment expense	(208,288)	(263,866)	(208,289)	(263,866)
	<u>139,968</u>	<u>132,933</u>	<u>139,967</u>	<u>132,933</u>
Written down value	<u>8,946,044</u>	<u>11,822,458</u>	<u>363,226</u>	<u>490,057</u>

In line with CCI's policy, three-yearly valuations were obtained during 2017/18 for properties within the portfolio. These were performed by independent licensed valuers and the valuations exceeded the carrying value. The Group Property Portfolio Valuation for 2017/18 was \$13,300,000 (carrying value 2018: \$7,841,599).

The next independent valuation is due to occur in 2020/21.

**Revision of useful lives of plant and equipment**

During the year the estimated total useful lives of the phone system were revised. The net effect of the changes in the current financial year was an increase in depreciation expense of \$49,881.

Assuming the assets are held until the end of their estimated useful lives, depreciation in future years in relation to these assets will be increased by the following amounts

<b>Year ending 30 June</b>	<b>\$</b>
2019	15,385
2020	15,385
2021	6,037



**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**10 NON-CURRENT ASSETS (Continued)**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>(b) Intangible Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer software – at cost	3,150,893	3,154,211	3,148,236	3,148,236
Less: Accumulated amortisation and impairment expense	(1,755,920)	(1,556,886)	(1,753,264)	(1,554,895)
Written down value	<u>1,394,973</u>	<u>1,597,325</u>	<u>1,394,972</u>	<u>1,593,341</u>
	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>(c) Investments in subsidiaries and associates</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Australian Chamber Alliance Pty Ltd (i)	10	10	10	10
Chambers Apprenticeship Support Australia Pty Ltd (ii)	25	25	-	-
Share in Controlled entities at cost (iii)	-	-	101	101
	<u>35</u>	<u>35</u>	<u>111</u>	<u>111</u>

(i) The shares in Australian Chamber Alliance Pty Ltd, a company incorporated in Australia on 22 January 2007 represent 14.5% of the ordinary share capital.

(ii) The shares in Chambers Apprenticeship Support Australia Pty Ltd, a company incorporated in Australia on 5 November 2014 represent 25% of the ordinary share capital.

(iii) The shares in controlled entities represent:

100% of the ordinary share capital of Apprenticeships Australia Pty Ltd, a company incorporated in Australia on 14 August 1998.

100% of the ordinary share capital of Business Law WA Pty Ltd, a company incorporated in Australia on 23 December 2014.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**11 CURRENT LIABILITIES – Payables**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade creditors and accruals	1,619,583	2,557,351	1,487,746	2,014,305
Loans from related parties				
- Apprenticeships Australia Pty Ltd	-	-	11,195,112	9,976,341
	<u>1,619,583</u>	<u>2,557,351</u>	<u>12,682,858</u>	<u>11,990,646</u>

**12 CURRENT LIABILITIES – Employee Entitlements**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee Entitlements	1,421,939	1,799,668	1,421,939	1,799,668
	<u>1,421,939</u>	<u>1,799,668</u>	<u>1,421,939</u>	<u>1,799,668</u>

The current provision for employee entitlements includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee Entitlements	218,732	501,170	218,732	501,170

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**13 RESERVES**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
Asset Revaluation Surplus				
At 1 July	595,000	595,000	595,000	595,000
Transfer to retained earnings	(595,000)	-	(595,000)	-
At 30 June	<u>-</u>	<u>595,000</u>	<u>-</u>	<u>595,000</u>
Total Reserves	<u>-</u>	<u>595,000</u>	<u>-</u>	<u>595,000</u>

**14 BUSINESS RESEARCH AND DEVELOPMENT FUND**

The Business Research and Development Fund is a capital fund established to provide research and publicity on matters of concern to employers in Australia. The movements in the fund during the year were as follows:

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
Opening balance 1 July	191,878	250,000	191,878	250,000
Expenditure	-	(58,122)	-	(58,122)
Closing balance 30 June	<u>191,878</u>	<u>191,878</u>	<u>191,878</u>	<u>191,878</u>

**15 RETAINED PROFITS**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
At 1 July	32,479,040	33,414,723	7,982,488	7,769,657
Total Comprehensive Income/(Loss) for the year	2,124,588	(935,683)	639,597	212,831
Transfer from reserve	595,000	-	595,000	-
At 30 June	<u>35,198,628</u>	<u>32,479,040</u>	<u>9,217,085</u>	<u>7,982,488</u>

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**16 RECONCILIATION OF NET PROFIT TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES**

	Consolidated		Parent Entity	
	2018 \$	2017 \$	2018 \$	2017 \$
Net profit/(loss)	2,124,588	(935,683)	639,597	212,831
Net (gain)/loss on disposal of property plant and equipment	(1,361,414)	(13,190)	2,926	(15,678)
Depreciation	484,806	515,134	176,602	108,285
Impairment	7,813	254,327	6	254,327
Amortisation	201,024	162,686	200,361	162,686
(Increase)/Decrease in financial assets at fair value through profit or loss	(1,498,866)	1,485,749	(1,498,866)	1,485,749
Decrease in receivables	1,599,684	1,121,454	179,811	183,407
Decrease/(Increase) in prepayments	160,715	(206,637)	229,059	(203,094)
Proceeds from sale of Migration Services	-	(150,000)	-	(150,000)
Proceeds from sale of Group Training Organisation division	-	(448,506)	-	-
Decrease/(Increase) in deferred tax	2,764	(5,126)	-	-
(Increase) in Current Tax Asset	(38,664)	-	-	-
(Decrease) in payables	(937,767)	(1,153,082)	(526,557)	(1,178,586)
Movement in income tax payable	(50,166)	43,755	-	-
Increase in unspent service contracts	53,256	89,069	53,256	115,779
Increase/(Decrease) in deferred revenue	528,416	(1,395,685)	545,301	(739,807)
(Decrease) in employee entitlements	(452,743)	(1,504,012)	(452,743)	(1,504,012)
Transfer to business research and development fund	-	(58,122)	-	(58,122)
Net cash Inflow/(outflow) from operating activities	<u>823,446</u>	<u>(2,197,869)</u>	<u>(451,247)</u>	<u>(1,326,235)</u>

**17 DISCONTINUED OPERATIONS**

**(a) Industrial Training Institute**

Following a strategic review, the company made the decision to close the Industrial Training Institute business on 1 December 2017. Operations at the training centre in Kwinana ceased on 25 January 2018 and the building was subsequently sold in May 2018. A gain on the sale of the building and equipment totalling \$1,365,071 was recognised in the statement of profit and loss and Note 2 to the financial statements.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
AND ITS CONTROLLED ENTITIES  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**17 DISCONTINUED OPERATIONS (Continued)**

**(b) Apprenticeships Australia and Migration**

On 19 April 2017 Apprenticeships Australia Pty Ltd announced its intention to sell the Group Training Organisation division. The division was sold on 22 May 2017 and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

On 10 May 2017 Chamber of Commerce and Industry WA (Inc) sold the Migration Services division. The division is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

**(c) Details of the sale of the division**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash proceeds from sale of Business		2,240,263		150,000
Carrying amount of net assets sold	-	(1,549,128)	-	-
Gain on sale (excluding professional fees)		691,135		150,000
Less: Directly attributable professional fees	-	(92,629)	-	-
Net Gain on sale of Business	-	598,506	-	150,000

The carrying amounts of assets and liabilities for the Group Training Organisation as at the date of sale (22 May 2017) were:

**(d) Details of the sale of the division**

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>22-May-17</b>	<b>2018</b>	<b>22-May-17</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade receivables	-	2,209,542	-	-
Total assets	-	2,209,542	-	-
Provision for employee	-	660,414	-	-
Total liabilities	-	660,414	-	-
Net assets	-	1,549,128	-	-

The carrying amounts of assets and liabilities for Migration Services as at the date of sale (10 May 2017) were \$nil.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA (INC)  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 June 2018**

**18 COMMITMENTS – Operating Lease Liabilities**

At balance date CCI had the following commitments under operating lease agreements:

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$	\$	\$	\$
Due within one year	252,450	225,576	185,547	161,110
Due within one to two years	137,336	50,804	137,336	50,804
Due within two to five years	100,084	-	100,084	-
	<u>489,870</u>	<u>276,380</u>	<u>422,967</u>	<u>211,914</u>

**19 RELATED PARTIES**

**Other Related Party Transactions**

Given the organisation's policy of providing services to members and preferred dealings with members and affiliated associations CCI had a number of related party transactions. All transactions are undertaken on normal commercial terms.

**Wholly Owned Group**

The wholly owned group consists of the Chamber of Commerce and Industry of Western Australia (Inc), its 100% controlled entity Apprenticeships Australia Pty Ltd (AA) and its 100% controlled entity Business Law WA Pty Ltd (BLWA)

Transactions between CCI, AA and BLWA during the year ended 30 June 2017 consisted of:

- (a) Interest bearing loans between group entities.
- (b) Payment from AA to CCI for staff resources \$5,245,605 (2017: \$23,728,898)
- (c) Payment to AA for rent \$1,108,755 (2017: \$1,137,756) on normal commercial terms.
- (d) Payment to AA from BLWA for rent on normal commercial terms \$14,404 (2017: \$21,103)
- (e) Internal administration fees paid from AA to CCI of \$2,073,274 (2017: \$4,643,526)
- (f) Internal administration fees paid from BLWA to CCI of \$210,521 (2017: \$171,717)
- (g) Payroll expenses paid from BLWA to CCI \$223,840 (2017: \$333,981).

Aggregate loan amount from AA at balance sheet date

	<b>2018</b>	<b>2017</b>
	\$	\$
Current Payable		
- Apprenticeships Australia Pty Ltd	(11,195,112)	(9,976,341)
	<u>(11,195,112)</u>	<u>(9,976,341)</u>

Aggregate loan amount to BLWA at balance sheet date

	<b>2018</b>	<b>2017</b>
	\$	\$
Current receivable		
- Business Law WA Pty Ltd	44,867	340,256
	<u>44,867</u>	<u>340,256</u>



## *Independent auditor's report*

To the members of Chamber of Commerce and Industry of Western Australia (Inc)

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### *Our opinion*

In our opinion:

The accompanying financial report of Chamber of Commerce and Industry of Western Australia (Inc) (the Association) and its controlled entities (together the Group) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and S. 74 of the Associations Incorporation Act 2015*, including:

- (a) giving a true and fair view of the Associations' and Group's financial positions as at 30 June 2018 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *What we have audited*

The Associations' and Group financial report comprises:

- the statement of financial position as at 30 June 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the declaration of the Directors.

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### *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 Association and the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Emphasis of matter - basis of accounting and restriction on use*

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and Associations Incorporation Act 2015*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Chamber of Commerce and Industry of Western Australia (Inc) and its members and should not be used by parties other than Chamber of Commerce and Industry of Western Australia (Inc) and its members. Our opinion is not modified in respect of this matter.

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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 2018, including the corporate governance statement and statement of the Chief Executive Officer and Director of Finance, 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the Directors for the financial report*

The Directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of *Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and Associations Incorporation Act 2015*, and is appropriate to meet the needs of the members. The Directors' responsibility also includes 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 Association and the Group 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 Association or the Group or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

PricewaterhouseCoopers

William P R Meston  
Partner

Perth  
24 August 2018