

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

ANNUAL REPORT – 30 JUNE 2024

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

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This financial report covers the entity of Chamber of Commerce and Industry of Western Australia Limited (**CCIWA**) and its controlled entities (**the Group**).

The financial statements are presented in the Australian currency.

CCIWA is a company limited by guarantee and is domiciled in Western Australia. CCIWA is registered as a charity with the ACNC, ABN 96 929 977 985. Its registered office and principal place of business is:

Level 5, 235 St Georges Terrace
Perth WA 6000

A description of the nature of the Group's operations and its principal activities is included in the directors' reports which is not part of the financial report.

The financial statements were authorised for issue by the directors on 11 November 2024. The directors have the power to amend and reissue the financial statements.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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DIRECTORS' REPORT

The directors present their report on the Chamber of Commerce and Industry of Western Australia Limited (CCIWA) and its controlled entities (**the Group**) for the year ended 30 June 2024. The financial report covers the Group consisting of CCIWA as the parent company and its subsidiaries Apprenticeships Australia Pty Ltd, Business Law WA Pty Ltd and Optima Financial Group Pty Ltd.

Directors

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

Board of Directors

Ms N Ivory (Chairperson)
Ms N Jenkins
Mr A Byk
Mr S Te Brinke
Mr M Abbotsford
Ms E Dallimore
Ms E Bowen
Ms E Macknay

Chief Executive Officer

Mr C Rodwell

Public Officer

Mr M Golds

Principal Activities

CCIWA is the peak organisation advancing trade and commerce in Western Australia and is driven by our fundamental belief in free enterprise. Our vision is for Western Australia to be the best place to live and do business. To achieve this, CCIWA listens to and works with stakeholders across the community to understand their challenges. CCIWA represents stakeholders from across all regions and industries in Western Australia, including regional Chambers, bilateral Chambers, indigenous bodies and trade and industry associations and businesses, both in the private and government sectors. CCIWA undertakes the only non-government economic forecast for WA; provides advice and resources for businesses of all sizes including industrial relations, HR, legal, accounting and tax, workplace health and safety, international trade and supply chain; liaises with trade and industry associations; and spearheads education and training programs to support businesses and grow the local WA workforce.

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DIRECTORS' REPORT (Continued)

Review of Operations

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

| | Revenue | | Results | |
|-------------------------------------|-------------------|-------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Subscription revenue | 4,474,787 | 4,374,650 | | |
| Service revenue | 15,428,108 | 8,334,020 | | |
| Federal government contract revenue | 12,674,783 | 13,193,273 | | |
| Service Contracts | 232,176 | 276,201 | | |
| | 32,809,853 | 26,178,145 | | |
| Fair value movement on investments | 3,886,944 | 3,122,442 | | |
| Other income | 512,914 | 436,630 | | |
| Total revenue | 37,209,711 | 29,737,217 | | |
| Net Profit | | | 3,224,634 | 3,276,099 |

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

Throughout the year CCIWA continued its work to advance trade and commerce in Western Australia, providing a range of independent services and strong advocacy on the issues that matter to the Western Australian community.

We continued to support our stakeholders and others in the community. This included handling thousands of calls through our employee relations advice centre, providing significant support to help navigate the far-reaching industrial relations reforms. We also supported a large cohort of new apprentices and trainees engage with the WA business community, amidst a continuing skills shortage.

Importantly, CCIWA progressed several significant major partnerships in order to support businesses across the State in areas such as trade & investment, accounting & tax and employing people with disabilities.

We also continued to support Western Australian businesses and improve the investment environment in relation to energy transition, releasing our landmark Green Web report.

Matters Subsequent to the end of the Financial Year

As part of CCIWA's approach to safeguard its future capacity to deliver upon its charitable purpose, as part of CCIWA's wider portfolio of investments, a controlling equity purchase in Epigroup Holdings Pty Ltd (ACN 635 813 580) was completed as a long-term recurring funding stream to help fulfil this strategy.

The above equity purchase of Epigroup Holdings Pty Ltd was completed on 1 July 2024 and CCIWA obtained a controlling interest from this date.

There were no further subsequent events.

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DIRECTORS' REPORT (Continued)

Environmental Regulation

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

Remuneration of Members of the General Council and Board

Non-executive directors receive a board fee, fees for chairing the board and committees, and Australian Chamber of Commerce and Industry board fees, refer to the table below. They do not receive performance-based pay. The fees are exclusive of superannuation.

For the 2024 financial year, the maximum annual aggregate directors' fee pool limit is \$300,749. The pool limit provides for annual CPI increases but any other changes are required to be approved by shareholders.

| <i>Annual Base fees</i> | Full Year fees |
|---|-----------------------|
| President/Chair | \$42,148 |
| Other non-executive directors | \$21,074 |
| <i>Additional fees</i> | |
| Audit, Risk and Financial Oversight Committee – Chair | \$5,268 |
| Nomination and Remuneration Committee – Chair | \$5,268 |
| Investment Committee - Chair | \$5,268 |
| Australian Chamber of Commerce and Industry non-executive directors | \$5,268 |

All non-executive directors enter into a service agreement with CCIWA in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Auditor

Nexia Perth Audit Services Perth Pty Ltd is in office in accordance with the policy of the Group.

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 4.

Indemnity and insurance of auditor

To the extent permitted by law, CCIWA has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the year ended 30 June 2024.

Indemnity and insurance of officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where this is a lack of good faith.

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

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DIRECTORS' REPORT (Continued)



Nicki Ivory
Chairperson



Esme Bowen
Director

Perth

11 November 2024

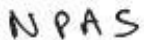
To the Board of Directors of Chamber of Commerce and Industry of Western Australia Limited

Auditor's Independence Declaration under subdivision 60-40 of the *Australian Charities and Not for Profit Commission Act 2012*

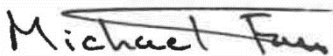
As lead auditor for the review of the financial statements of Chamber of Commerce and Industry of Western Australia Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not for Profit Commission Act 2012* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours Sincerely



Nexia Perth Audit Services Pty Ltd



**Michael Fay
Director**

Perth
11 November 2024

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

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CORPORATE GOVERNANCE STATEMENT

CCIWA 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 stakeholders.

The relationship between the Board and senior management is critical to the Group's long-term success. The directors are responsible for the performance of the Group in both the short and the long term and seek to serve the interests of members, employees, clients, stakeholders and the broader Western Australia 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 and charter states:

- the Board is to be comprised of up to three directors appointed by and from the members of the General Council, up to four directors appointed by members and up to three directors appointed by the Board;
- the President of the General Council is the chairperson of the Board; and
- the Board is required to undertake regular performance reviews and consider the appropriate mix of skills required to maximise its effectiveness and its contribution.

Responsibilities

The Board has leadership responsibility for the overall management and strategic direction of the Group and for delivering accountable organisational performance in accordance with the Group's goals and objectives. In performing its role, the responsibilities of the Board include:

- providing strategic direction to the Group and deciding upon the Group's strategies and objectives in conjunction with the CEO;
- monitoring the strategic direction of the Group and the attainment of its strategies and objectives in conjunction with the CEO;
- monitoring the operational and financial position and performance of the Group;
- assuring the principal risks faced by the Group are identified and overseeing that appropriate control and monitoring systems are in place to manage and mitigate these risks; and
- reviewing on a regular and continuing basis:
 - i) executive succession planning including the CEO; and
 - ii) executive performance and development activities.

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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 reflects key community stakeholders and represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective;
- its membership is diverse and has the desired suite of skills, experience and attributes that a Board (as a whole) desirably should have to meet the Group's strategic objectives and needs; and
- the size of the Board is conducive to effective discussion and efficient decision making.

Term of Office

The CCIWA'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 ninth consecutive year in office by that director since the director's first appointment provided that this provision does not apply to a director who serves as a representative or nominee director on behalf of the organisation on the Board of Australian Chamber of Commerce and Industry (or its successor organisations) for so long as that person continues to serve on the Board of that organisation in such a capacity; and
- the maximum term of office for the President is three years, with a maximum period of twelve years of total combined service as a director and Chair.

Independent Professional Advice

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

Corporate Reporting

The CEO and the Chief Operating Officer 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 Group; and
- are in accordance with the relevant accounting standards, to the extent described in the financial report.

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CORPORATE GOVERNANCE STATEMENT (Continued)

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 People and Remuneration Committee, Audit, Risk and Financial Oversight Committee and Investment Committee. Each is comprised entirely of non-executive directors except for the Investment Committee which contains a mix of non-executive directors, independent advisors and the Chief Operating Officer.

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, with the exception of the People and Remuneration Committees which are circulated to the directors outside of the Board meetings.

People and Remuneration Committee

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

Ms N Ivory
Ms N Jenkins
Mr S te Brinke
Ms E Bowen

The People and Remuneration 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;
- review and recommend to the Board, the remuneration policy and package for the CEO;
- 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 the Group;
- review and recommend to the Board proposals for short and long term incentive programs for the Group;
- review and recommend to the Board any changes to non-executive directors' fees; and
- 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.

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CORPORATE GOVERNANCE STATEMENT (Continued)

Audit, Risk and Financial Oversight Committee

The Committee consists of the following non-executive directors:

Mr M Abbotsford
Mr A Byk
Ms E Macknay

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

- monitor the procedures in place to ensure that the Group's external financial reporting is in compliance with the *Australian Charities and Not-for-profits Commissions Act 2012* (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; and
 - 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; and
- ensure that the Group has an effective risk management system in place, and that the Committee assesses this system.

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CORPORATE GOVERNANCE STATEMENT (Continued)

Audit, Risk and Financial Oversight Committee (Continued)

- ensure the Board is aware of any matters that might have a significant impact on the financial condition of the Group.
- review reports on any major defalcations, frauds and thefts from the Group 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 Group's business;
- review proposed transactions between the Group, its directors and members of management with a view to avoiding conflicts of interest;
- 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.

Investment Committee

The Committee consists of the following members:

Ms N Ivory
Ms E Dallimore
Mr B Maloney (Independent Advisor)
Ms J Jones (Independent Advisor)
Mr M Golds (Chief Operating Officer)

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

- Monitor and review the continued suitability of the Investment Policy Statement having regard to strategic objectives of the Group communicated to the Committee from time to time;
- As considered appropriate to resolve for the Leadership Team to appoint independent professional experts to advise the Committee on appropriate strategies and establish and maintain appropriate investment strategy and policy in line with the IPS;
- Consider the accounting, taxation treatment and taxation compliance issues associated with an investment;
- Oversee the internal control procedures and the security of investments under management;
- Oversee and periodically review the delegated authorities for implementation of investment transactions which are within the scope of the IPS;
- As considered appropriate to resolve for the Leaderships Team to appoint and/or remove the organisations providing investment advisory and management services to the Group (Fund Managers);
- Oversee the performance of individual Fund Managers against pre-determined investment objectives;
- Establish benchmarks for the measurement of investment performance and periodically monitor and review the performance of investments;
- Periodically review the overall performance of the Fund's investment performance;
- Periodically review the overall performance of Fund Manager's within terms of their appointment and against market trends and to review alternative investment options or managers;
- Oversee the establishment and maintenance of investment portfolio valuation policies;
- Oversee and periodically review compliance with policies regarding credit, liquidity, and market risks and review management of credit, liquidity, and market risks;
- Exercise prudential tactical investment decision making within investment parameters set by the IPS, for implementation by Leadership Team;
- Such other duties and responsibilities conferred from time to time by the Board; and

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- From time to time as required by the Board to report as to the Committee's discharge of its roles and responsibilities and the performance of the investment portfolio or any part thereof.

External Auditors

The Board through the Audit, Risk and Financial Oversight Committee, appoint external auditors who clearly demonstrate quality and independence.

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.

The external auditors meet annually with the Audit, Risk and Financial Oversight 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, Risk and Financial Oversight 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 the Group's members, stakeholders, clients and staff, the Group's reputation, the Group's position as a provider of quality business services and products and its assets.

The Group's risk management policy and the operation of the risk managements and compliance system are managed by the executive, with delegated authority through the CEO for day-to-day management.

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

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**STATEMENT OF THE CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER**

As detailed in Note 1 to the financial statements, the Group 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 *Australian Charities and Not-for-profit Commission Act 2012* and the needs of the Members.

The financial report is prepared in accordance with the books and records of the Group 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 12 to 35 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* 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 Group's financial position as at 30 June 2024 and its performance for the financial year ended on that date; and
- iii) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable..



C Rodwell
Chief Executive Officer



M Golds
Chief Operating Officer

Perth WA
11 November 2024

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

| | Notes | 2024 \$ | 2023 \$ |
|--|-------|---------------------|---------------------|
| Revenue | | | |
| Revenue | 2 | 32,809,853 | 26,178,145 |
| Other Income | 2 | 512,914 | 436,630 |
| Fair Value Movement on Investments | 2 | 3,886,944 | 3,122,442 |
| Total Revenue and Other Income | | 37,209,711 | 29,737,217 |
| Expenditure from Operating Activities | | | |
| Employee Benefits Expenses | | (24,430,609) | (18,645,574) |
| Service Contract Expenses | | (232,176) | (276,201) |
| Insurance Expenses | | (394,324) | (268,687) |
| Occupancy Expenses | | (674,774) | (506,202) |
| IT Expenses | | (1,580,632) | (1,482,544) |
| General and Administrative Expenses | | (3,887,833) | (3,373,859) |
| Depreciation and Amortisation Expenses | 3 | (2,099,487) | (1,524,906) |
| Impairment Expense | 3 | (17,325) | (17,003) |
| Finance Expenses | 3 | (276,616) | (244,396) |
| Equity Investments | | - | - |
| Total Expenditure | | (33,593,776) | (26,339,371) |
| Profit for the year | | 3,615,936 | 3,397,846 |
| Income Tax Expense | 4 | (391,302) | (121,746) |
| Total Comprehensive Income | | 3,224,634 | 3,276,099 |
| Attributable to: | | | |
| Equity Holders of Parent | | 2,720,164 | 3,276,099 |
| Non-controlling Interest | 17 | 504,470 | - |
| | | 3,224,634 | 3,276,099 |

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

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

| | Notes | 2024 \$ | 2023 \$ |
|---|-------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 7,827,910 | 5,519,047 |
| Receivables | 6 | 4,461,705 | 2,209,173 |
| Prepayments | 7 | 1,044,487 | 3,095,866 |
| Financial Assets at Fair Value through Profit or Loss | 9 | 44,702,851 | 45,011,326 |
| Carnet Trust | 10 | 79,321 | 68,906 |
| Total Current Assets | | <u>58,116,274</u> | <u>55,904,317</u> |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 11(a) | 249,667 | 88,666 |
| Intangible Assets | 11(b) | 4,479,869 | 475,362 |
| Right-of-use Assets | 13 | 6,081,946 | 6,332,594 |
| Deferred Tax Assets | 8 | 31,936 | 4,531 |
| Investments in Associates | 12 | 43 | 43 |
| Total Non-Current Assets | | <u>10,843,461</u> | <u>6,901,196</u> |
| TOTAL ASSET | | <u>68,959,736</u> | <u>62,805,514</u> |
| CURRENT LIABILITIES | | | |
| Payables | 14 | 2,599,797 | 2,224,749 |
| Income Tax Payable | | 3,360 | 451 |
| Lease Liabilities | 13 | 385,096 | 761,748 |
| Contract Liabilities | | 3,498,527 | 3,422,430 |
| Deferred Tax Liabilities | | 25,846 | - |
| Employee Entitlements | 15 | 1,915,332 | 1,702,358 |
| Carnet Trust | 10 | 79,321 | 68,906 |
| Total Current Liabilities | | <u>8,507,279</u> | <u>8,180,642</u> |
| NON-CURRENT LIABILITIES | | | |
| Employee Entitlements | 15 | 466,637 | 116,474 |
| Lease Liabilities | 13 | 6,592,704 | 6,433,038 |
| Total Non-Current Liabilities | | <u>7,059,341</u> | <u>6,549,512</u> |
| TOTAL LIABILITIES | | <u>15,566,620</u> | <u>14,730,154</u> |
| NET ASSETS | | <u>53,393,115</u> | <u>48,075,360</u> |
| EQUITY | | | |
| Special Project Reserve | | 400,000 | - |
| Non-Controlling Interest | 20 | 2,597,591 | - |
| Retained Earnings | | 50,395,524 | 48,075,360 |
| TOTAL EQUITY | | <u>53,393,115</u> | <u>48,075,360</u> |

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

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

| | Reserves | Non- Controlling Interest | Retained Earnings | Total |
|---|----------|---------------------------------|----------------------|------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2023 | - | | 48,075,365 | 48,075,365 |
| Non-controlling Interest (Refer to note 17 for business combination) | - | 2,406,755 | - | 2,406,755 |
| Profit for the period | - | 504,470 | 2,720,164 | 3,224,634 |
| Transfer to reserve | 400,000 | - | (400,000) | - |
| Total comprehensive income for the year ended 30 June 2024 | 400,000 | 2,911,225 | 50,395,524 | 53,706,754 |
| Dividends Declared | - | (313,634) | - | (313,634) |
| Balance at 30 June 2024 | 400,000 | 2,597,591 | 50,395,524 | 53,393,115 |

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

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

| | Notes | 2024 | 2023 |
|---|--------------|--------------------|--------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 37,742,729 | 29,625,936 |
| Payments to suppliers and employees (inclusive of GST) | | (33,107,673) | (27,838,265) |
| Income taxes (paid) | | (415,798) | (134,528) |
| Interest received | | 147,142 | 200,212 |
| Disbursement recoupment | | 82,753 | - |
| Finance costs paid on lease liabilities | | (276,616) | (244,396) |
| Net cash from operating activities | 16 | 4,172,537 | 1,608,959 |
| Cash flows used in investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 17,325 | 112,273 |
| Payments for property, plant and equipment | | (250,592) | (1,317) |
| Payments for intangible assets | | (34,685) | - |
| Payments for Investments | | (216,452) | (2,266,019) |
| Net cash used in investing activities | | (484,404) | (2,155,064) |
| Cash flows used in financing activities | | | |
| Lease liability payments | | (1,379,270) | (1,068,645) |
| Net cash used in financing activities | | (1,379,270) | (1,068,645) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | | 2,308,864 | (1,614,749) |
| Cash and Cash Equivalents at the beginning of the financial year | | 5,519,047 | 7,133,796 |
| Cash and Cash Equivalents at the end of the financial year | 5 | 7,827,910 | 5,519,047 |

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

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL 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 Chamber of Commerce and Industry of Western Australia Limited (**CCIWA**) and its controlled entities (**the Group**).

Comparative information is reclassified where appropriate to enhance comparability and to amend rounding and transportation in the prior year financial statements.

(a) Basis of preparation

Special purpose financial report

In the directors' opinion, the Group 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* 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 and the Australian Charities and Not-for-profit Commission. The Group is a not-for-profit entity for the purpose of preparing financial statements.

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets at fair value through profit or loss.

(b) New or amended Accounting Standards and Interpretations adopted

The Group has applied all new and revised Australian Accounting Standards and Interpretations that apply to annual reporting periods beginning 1 July 2023. Application of the new and revised Australian Accounting Standards and Interpretations did not have a material impact on the financial report.

(c) Accounting Standards issued but not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new amended Accounting Standards and Interpretation that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing any potential impact.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(d) Principles of Consolidation

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Unrealised gains on transactions between the group are eliminated to the extent of the group'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 group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. 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.

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.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group'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 Group'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.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(e) Income Tax

- (i) CCIWA is exempt from income tax under item 1.1 of section 50.5 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.
- (iii) Business Law WA Pty Ltd, a wholly owned subsidiary, is subject to income tax.
- (iv) Optima Financial Group Pty Ltd, majority 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 Group operates and generates 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(f) Property, Plant and Equipment

All property, plant and equipment is 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.

Depreciation and amortisation

Depreciation is calculated 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% |
| Equipment and fixtures | 20% - 33% |
| Computer Equipment/IT Equipment | 10% -16.66% |

(g) 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

(h) 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Right-of-use Assets and Lease Liabilities

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 10 years, but may have extension options. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(j) Right-of-use Assets and Lease Liabilities (continued)

(ii) To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third party financing; and
- Makes adjustments specific to the lease, e.g. term and security

The Group is not exposed to potential future increases in variable lease payments based on an index or rate, as all lease payments are negotiated at a fixed rate applicable at the beginning of the lease term.

Lease payments are allocated between principal and finance cost. The finance cost is charged to 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.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(k) 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.

(l) Revenue Recognition

Subscription Revenue

Subscription revenue is derived from membership subscriptions which are paid annually in advance and revenue is deferred and recognised equally over the duration of the membership contract.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(l) Revenue Recognition (continued)

Service Revenue

Consulting services are provided under both fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Contract revenue is recognised as and when services are provided in terms of the contract and only if the customer is able to control (use the advice) as and when it is received. Contract Revenue is recognised over time by measuring the progress towards completion of performance obligations. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised based on the distinct deliverables, where they are bundled into a contract, which can be upfront deliverables, specific deliverables during the course of the contract and ongoing support. Revenue is recognised in accordance with separate deliverables of the respective contracts.

Where each deliverable is not directly observable, estimates are made. In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which we have a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Training and event revenue are recognised on the completion of the event. All monies received in advance of the training or events are recorded as liabilities.

Contract Liabilities

Contract liabilities represent the Group's obligation to transfer services to a client for which the Group has received consideration (or amount is due) from the customer. These liabilities are recognised as revenue when the Group is satisfied the performance obligations under the contract has been rendered.

Federal government contract revenue

Where services are provided in terms of a government fee for service contract and there is no entitlement to the revenue until full completion of all required tasks and submission of the claim to the government system, revenue is recognised upon the point in time at which the submission is made in the government system.

Where services are provided in terms of a government fee for service contract where funds are received in advance and a service is required to be available over a period of time, advance payment received is recorded as a liability and revenue is recognised when contractual obligations are met.

Interest Income

Interest income is recognised using the effective interest method.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(m) Trade Receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. See Note 6 for further information about the groups accounting for trade receivables.

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(ii) Trade receivables

The group applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(n) 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 the of the 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.

(o) 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.

(p) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and term deposits held at financial institutions.

(q) Fair value measurement on Investments

Investments Assets are measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or to transfer the liability in an orderly transaction between market participants at the measured date; and assumes the transaction will take place either; in the principle market or in the most advantageous market.

(i) Financial Instruments

The Group's investment activities are exposed to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and prices risk. The Groups overall risk management focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects of the financial performance of the Group.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(r) Critical Judgements and estimates

(i) The Group assesses useful lives of property, plant, and equipment at the end of each reporting period. Equipment is assessed based on expected economic use.

(ii) The Group evaluates its tax position and recognises deferred tax asset to the extent that it is probable that taxable profits will be available against any deductible temporary differences which can be utilised.

(iii) The Group tests annually whether any assets have suffered any impairment. At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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 of disposal and value in use, is compared to the asset's carrying amount over its recoverable amount is recognised in the income statement.

(iv) The Group has applied a number of judgments in assessing its leases against the criteria in AASB 16 *Leases* (AASB 16) and calculating the right of use asset and lease liability to be recognised. These judgments include the nature of the arrangement (existence of the right to control an asset), the defined lease term, the incremental borrowing rate, lease payments and likely lease payment increases over the lease term. The judgments applied may change year on year if facts or circumstances change and AASB 16 requires the change to be reflected in the lease calculation.

(v) The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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

(s) Business Combination

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(s) Business Combination (continued)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

2 REVENUE

| | 2024 | 2023 |
|---|--------------------------|--------------------------|
| | \$ | \$ |
| Revenue recognised over time | | |
| Subscription revenue | 4,474,787 | 4,374,650 |
| Service revenue | 14,511,464 | 7,516,716 |
| Service contract revenue | 232,176 | 276,201 |
| | <u>19,218,427</u> | <u>12,167,567</u> |
| Revenue recognised at a point in time | | |
| Federal government contract revenue | 12,674,783 | 13,193,273 |
| Service revenue | 916,644 | 817,305 |
| | <u>13,591,427</u> | <u>14,010,578</u> |
| Other Income | | |
| Interest received | 147,142 | 200,212 |
| Gain on disposal of property, plant and equipment | - | 73,383 |
| Distribution income | 283,019 | 163,035 |
| Disbursement recoupment | 82,753 | - |
| | <u>512,914</u> | <u>436,630</u> |
| Fair value movement in investments | <u>3,886,944</u> | <u>3,122,442</u> |
| | <u>3,886,944</u> | <u>3,122,442</u> |
| Total Revenue | <u><u>37,209,711</u></u> | <u><u>29,737,217</u></u> |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

3 EXPENSES

| | 2024 | 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| Expenditure from operating activities includes the following specific expenses: | | |
| Depreciation and amortisation | | |
| Plant & equipment depreciation | 72,269 | 60,389 |
| Motor vehicle depreciation | - | 2,066 |
| Computer software amortisation | 201,581 | 295,446 |
| Depreciation right-of-use assets | 1,411,928 | 1,167,005 |
| Intangible assets amortisation | 413,709 | - |
| Total depreciation and amortisation | 2,099,487 | 1,524,906 |
| Impairment | | |
| Computer software | - | 17,003 |
| Total Impairment | - | 17,003 |
| Finance Costs | | |
| Lease interest and bank charges | 276,616 | 244,396 |
| Total Finance Costs | 276,616 | 244,396 |
| Auditor's remuneration | | |
| PricewaterhouseCoopers | | |
| Audit services | - | 52,840 |
| Other services | - | 2,220 |
| Nexia Perth Audit Services Pty Ltd | | |
| Audit services | 22,500 | - |
| Other services | 4,348 | - |
| | 26,848 | 55,060 |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

4 INCOME TAX EXPENSE

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| (a) Income Tax Expense | | |
| Current Tax | 385,212 | 124,599 |
| Deferred Tax | 6,090 | (2,853) |
| | 391,302 | 121,746 |
| | | |
| (Increase)/Decrease in deferred tax assets | 6,090 | (2,853) |
| | | |
| | 2024 | 2023 |
| | \$ | \$ |
| (b) Numerical reconciliation of income tax expense to prima facie tax payable | | |
| Profit from continuing operations | 3,615,936 | 3,397,846 |
| Exempt (profit)/loss | (2,050,729) | (2,910,860) |
| Taxable income | 1,565,207 | 486,986 |
| Australian tax rate | 25% | 25% |
| Income Tax Expense | 391,302 | 121,746 |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

5 CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|--------------------------|-------------|-------------|
| | \$ | \$ |
| Cash at bank and on hand | 7,827,910 | 5,519,047 |
| | 7,827,910 | 5,519,047 |

6 RECEIVABLES

| | 2024 | 2023 |
|-------------------|-------------|-------------|
| | \$ | \$ |
| Trade receivables | 4,445,745 | 2,240,376 |
| Loss allowance | - | (35,283) |
| | 4,445,745 | 2,205,093 |
| Rental bonds | 15,960 | 4,080 |
| | 4,461,705 | 2,209,173 |

7 PREPAYMENTS

| | 2024 | 2023 |
|-------------|-------------|-------------|
| | \$ | \$ |
| Prepayments | 1,044,487 | 3,095,866 |
| | 1,044,487 | 3,095,866 |

8 DEFERRED TAX ASSET

The balance comprises of temporary differences attributable to:

| | 2024 | 2023 |
|--|-------------|-------------|
| | \$ | \$ |
| Receivables – Doubtful Debts | - | 4,531 |
| Payables | 31,936 | - |
| | 31,936 | 4,531 |
| Deferred tax assets expected to be recovered after more than 12 months | 31,936 | 4,531 |
| Deferred tax liability | 25,846 | - |
| | 6,090 | 4,531 |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

| | 2024 | 2023 |
|------------------------------|-------------|-------------|
| | \$ | \$ |
| At 1 July | 45,011,326 | 41,880,557 |
| Net cash (divested)/invested | (4,107,000) | 2,266,019 |
| Fair value adjustment | 3,515,507 | 701,715 |
| Distribution income | 283,019 | 163,035 |
| At 30 June | 44,702,851 | 45,011,326 |

Investments held at Fair Value through profit and loss are marked to market and any net movement during the reporting period is recognised in profit and loss.

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.

| Investments: | 2024 |
|---------------------------------|-------------------|
| Cash | 1,429,588 |
| Australian Shares | 12,544,122 |
| Fixed Income | 5,745,344 |
| Global Shares | 8,778,482 |
| Multi-Sector Credit | 5,826,376 |
| Short-Maturity Diversified Debt | 1,455,948 |
| Infrastructure Fund | 6,488,348 |
| Alternative Trust Fund | 2,434,643 |
| Total | 44,702,851 |

(i) 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, amounting to a loss of \$591,493 (2023: Gain of \$2,967,734).

(ii) 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.

10 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 CCIWA 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 the Group.

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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(ACN 099 891 611)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

11 PROPERTY, PLANT AND EQUIPMENT

| | 2024 | 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| Plant and equipment opening net book value | 88,666 | 147,738 |
| Additions | 250,592 | 1,317 |
| Disposals | (17,323) | - |
| Depreciation charge | (72,269) | (60,389) |
| Plant and equipment closing net book value | 249,666 | 88,666 |
| | | |
| Plant and equipment – cost | 956,685 | 320,120 |
| Less: Accumulated depreciation and impairments | (707,018) | (231,454) |
| | 249,667 | 88,666 |
| | | |
| Motor vehicles opening net book value | - | 40,955 |
| Disposals | - | (38,889) |
| Depreciation charge | - | (2,066) |
| Motor vehicles closing net book value | - | - |
| | | |
| Motor vehicles – cost | - | - |
| Less: Accumulated depreciation and impairment expense | - | - |
| | - | - |
| | | |
| Written down value | 249,667 | 88,666 |
| | | |
| (b) Intangible Assets | \$ | \$ |
| Computer software opening net book value | 475,362 | 787,811 |
| Additions | 5,682 | - |
| Disposals | - | - |
| Impairments | - | (17,003) |
| Amortisation charge | (201,581) | (295,446) |
| Work in progress - Website | 29,000 | - |
| Computer software closing net book value | 308,464 | 475,362 |
| | | |
| Computer software – at cost | 1,500,622 | 2,751,021 |
| Less: Accumulated amortisation and impairments | (1,192,158) | (2,275,659) |
| Written down value | 308,464 | 475,362 |
| | | |
| Customer list | 4,291,544 | - |
| Other Tangibles | 293,571 | - |
| Less: Accumulated amortisation and impairments | (413,709) | - |
| Written down value | 4,171,405 | - |

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

| | | 2024 | 2023 |
|-----------|---|------|------|
| | | \$ | \$ |
| 12 | INVESTMENTS IN ASSOCIATES | | |
| | Australian Chamber Alliance Pty Ltd (i) | 10 | 10 |
| | Chambers Apprenticeship Support Australia Pty Ltd (ii) | 33 | 33 |
| | | 43 | 43 |

(i) The shares in Australian Chamber Alliance Pty Ltd, a company incorporated in Australia on 22 January 2007, represents 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, represents 33% of the ordinary share capital.

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the group is a lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

| | 2024 | 2023 |
|----------------------------|-----------|-----------|
| | \$ | \$ |
| Right-of-use assets | | |
| Buildings | 4,813,232 | 5,550,653 |
| Motor Vehicles | 1,256,768 | 758,048 |
| Equipment | 11,947 | 23,893 |
| | 6,081,946 | 6,332,594 |
| Lease liabilities | | |
| Current | 385,096 | 761,748 |
| Non-current | 6,592,704 | 6,433,038 |
| | 6,977,800 | 7,194,786 |

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

| | | |
|--|-----------|-----------|
| Depreciation charge of right-of-use assets | | |
| Buildings | 1,122,519 | 1,026,297 |
| Motor Vehicles | 277,462 | 128,762 |
| Equipment | 11,947 | 11,947 |
| | 1,411,927 | 1,167,005 |
| Finance cost | (276,616) | (244,396) |
| Expense relating to leases of low value assets not shown above as short-term leases | (184,454) | (231,323) |
| Expense relating to variable lease payments not included in lease liabilities | (319,512) | (342,536) |

**CHAMBER OF COMMERCE AND INDUSTRY OF WESTERN AUSTRALIA LIMITED
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(ACN 099 891 611)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

14 PAYABLES

| | 2024 | 2023 |
|---|------------------|------------------|
| | \$ | \$ |
| Trade payables | 524,327 | 673,073 |
| Payroll accruals | 1,042,420 | 932,346 |
| Payroll tax and other statutory liabilities | 276,510 | 289,967 |
| Sundry accruals | 756,540 | 329,363 |
| | <u>2,599,797</u> | <u>2,224,749</u> |

15 EMPLOYEE ENTITLEMENTS

| | 2024 | 2023 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| Employee Entitlements (Current) | 1,915,332 | 1,702,358 |
| Employee Entitlement (Non-Current) | 466,637 | 116,474 |
| | <u>2,381,969</u> | <u>1,818,832</u> |

The current and non-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.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

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

| | 2024 | 2023 |
|--|------------------|--------------------|
| | \$ | \$ |
| Net profit | 3,224,634 | 3,276,099 |
| Adjustments for: | | |
| Net loss on disposal of property plant and equipment | - | - |
| Net (gain) on disposal of PPE | - | (73,383) |
| Depreciation | 1,897,909 | 1,229,459 |
| Impairment | 17,325 | 17,003 |
| Amortisation | 201,581 | 295,446 |
| Change in operating assets and liabilities: | | |
| Increase/ (Decrease) in financial asset | 308,475 | (3,130,769) |
| (Decrease) in receivables | (2,252,532) | (27,426) |
| (Decrease) in prepayments | (214,640) | (409,215) |
| (Decrease) in deferred tax | (27,405) | (2,853) |
| Increase/(Decrease) in payables | 375,048 | (152,273) |
| Increase/(Decrease) in income tax payable | 2,909 | (9,929) |
| Increase in contract liabilities | 76,097 | 785,706 |
| Increase/(Decrease) in employee entitlements | 563,137 | (188,906) |
| Net cash Inflow/(Outflow) from operating activities | <u>4,172,537</u> | <u>(1,608,959)</u> |

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2024**

17 NON-CONTROLLING INTEREST

On 1 July 2023, CCIWA acquired a controlling interest in Optima Financial Group Pty Ltd (**Optima**). The acquisition was accounted for using the acquisition method in accordance with AASB 3 *Business Combinations*.

On acquisition, the fair value of the net tangible assets and intangible assets of Optima were as detailed below.

| | |
|--|--------------------|
| Net tangible assets acquired | \$621,100 |
| Other intangible assets acquired | \$293,571 |
| Intangible assets acquired | \$4,291,544 |
| Total | \$5,206,215 |
| | |
| Non-controlling interest's share of net assets at acquisition date | \$2,406,755 |

18 SUBSEQUENT EVENTS

As part of CCIWA's approach to safeguard its future capacity to deliver upon its charitable purpose, as part of CCIWA's wider portfolio of investments, a controlling equity purchase in Epigroup Holdings Pty Ltd (ACN 635 813 580) was completed as a long-term recurring funding stream to help fulfil this strategy.

The above equity purchase of Epigroup Holdings Pty Ltd was completed on 1 July 2024 and CCIWA obtained a controlling interest from this date.

There were no further subsequent events.

19 CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 30 June 2024 (30 June 2023 nil).

20 COMMITMENTS

The Group had no commitments for expenditure as at 30 June 2024 (30 June 2023 nil). There is a bank guarantee for \$726,905 and 2.5% in fees.

Independent Auditor's Report to the Members of Chamber of Commerce and Industry of Western Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Chamber of Commerce and Industry of Western Australia Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to 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 Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The directors' responsibility also includes such internal control as they determine is necessary to enable the preparation of a 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay

Director

Perth, Western Australia
11 November 2024