

Commerce Ballarat Limited

ACN 109 145 619

Financial Statements

For the Year Ended 31 December 2022

Commerce Ballarat Limited

ACN 109 145 619

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For the Year Ended 31 December 2022

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Commerce Ballarat Limited

ACN 109 145 619

Directors' Report

31 December 2022

The Directors present their report on Commerce Ballarat Limited for the financial year ended 31 December 2022.

Information on Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms. Hayley Coates

Appointed: April 2013
Occupation: Solicitor
Position: Chair

Mrs. Anne Alexander

Appointed: October 2021
Occupation: Business Owner
Position: Vice Chair

Mr. Ewen Fletcher

Appointed: April 2021
Occupation: Director - Accountant
Position: Treasurer

Mrs. Fiona Murphy

Appointed: July 2020
Occupation: People & Culture
Position: Secretary

Mr. James Robson

Appointed: April 2019
Occupation: Business Owner
Position: Director

Mr. Jamie Lockett

Appointed: April 2016
Occupation: Principal Accountant
Position: Director
Resigned: May 2022

Mr. Nick Thurlbeck

Appointed: June 2017
Occupation: Area Business Manager
Position: Director
Resigned: May 2022

Mr. Rob Croucher

Appointed: July 2020
Occupation: RDA Grampians Coordinator
Position: Director
Resigned: August 2022

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Directors' Report

31 December 2022

Information on Directors (continued)

Mr. Adrian Doyle

Appointed: April 2021
Occupation: Certified Practising Valuer
Position: Director

Cr. Peter Eddy

Appointed: November 2021
Occupation: Councillor, City of Ballarat
Position: Director

Prof. Gabriele Suder

Appointed: November 2022
Occupation: Professor
Position: Director

Mr. Neville Ivey

Appointed: June 2022
Occupation: Chief Executive Officer, Basketball Ballarat
Position: Director

Ms. Serena Eldridge

Appointed: June 2022
Occupation: Manager of Brand Development, Cafs
Position: Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of Commerce Ballarat Limited were to assist in the promotion and coordination of businesses in the Ballarat Region.

No significant changes in the nature of the Company's activity occurred during the financial year.

Objectives and Strategies

Members

- Maintain current membership numbers and encourage renewals by existing members
- Ensure ongoing service offer is relevant to and valued by members
- Encourage ongoing business and professional development

Governance

- Improve knowledge sharing within the Board

Directors' Report

31 December 2022

Objectives and Strategies (continued)

- Develop succession plan process for the Board

Financial

- Secure ongoing funding support
- Maintain and grow revenue base

Communications and Brand

- Communication with members is effective and valued
- Continue to effectively communicate the role and direction of the organisation to members and the wider community

Events and General Initiatives

- The business awards are continually recognised and valued by the business community
- Commerce Ballarat business events provide a social avenue for making meaningful business connections
- Ballarat businesses and organisations recognise and buy the local service and product offer

Members Guarantee

Commerce Ballarat Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20.

At 31 December 2022 there were 655 members and the collective liability of members was \$13,100 (2021: \$11,940).

Operating Results

The profit of the Company amounted to \$16,382 (2021: loss of \$60,352).

Directors' Report

31 December 2022

Meetings of Directors


During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

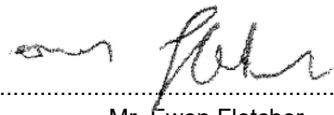
	Directors' Meetings	
	Number eligible to attend	Number attended
Ms. Hayley Coates	11	10
Mr. James Robson	11	10
Mr. Ewen Fletcher	11	10
Mrs. Fiona Murphy	11	10
Mr. Jamie Lockett	4	3
Mr. Nick Thurlbeck	4	2
Mr. Rob Croucher	7	4
Mr. Adrian Doyle	11	8
Mrs. Anne Alexander	11	11
Cr. Peter Eddy	11	11
Prof. Gabriele Suder	1	-
Mr. Neville Ivey	6	5
Ms. Serena Eldridge	6	5

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 5 of the financial report.

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

Chair: .....
Ms. Hayley Coates

Treasurer: .....
Mr. Ewen Fletcher

Dated 10 May 2023

Commerce Ballarat Limited

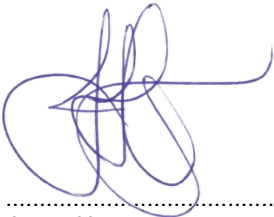
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Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Commerce Ballarat Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CountPro Audit Pty Ltd.....
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "J. Hargreaves", is written over a horizontal dotted line.

Jason Hargreaves
Director

10 May 2023

180 Eleanor Drive
Lucas Vic 3350

Commerce Ballarat Limited

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**Statement of Comprehensive Income
For the Year Ended 31 December 2022**

		2022	2021
	Note	\$	\$
Revenue	3	1,065,524	649,901
Employee Benefits Expense	4	(341,492)	(283,683)
Depreciation Expense	4	(31,137)	(30,846)
Business Awards and Business Day Out Expenses	4	(206,815)	(185,157)
Finance Costs	4	(7,980)	(7,962)
Other Events	4	(29,938)	(28,077)
Other Operating Expenses	4	(431,780)	(174,528)
Profit/(Loss) before Income Tax		16,382	(60,352)
Income Tax Expense	2(g)	-	-
Profit/(Loss) for the Year		16,382	(60,352)
Other Comprehensive Income			
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the Year		16,382	(60,352)

The accompanying notes form part of these financial statements.

Commerce Ballarat Limited

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Statement of Financial Position**As at 31 December 2022**

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	254,228	288,938
Trade and Other Receivables	6	71,099	23,175
Other Financial Assets	7	65,590	216,326
Other Assets	8	17,979	1,938
TOTAL CURRENT ASSETS		<u>408,896</u>	<u>530,377</u>
NON-CURRENT ASSETS			
Plant and Equipment	9	24,082	30,480
Right-of-use assets	10	175,236	199,975
TOTAL NON-CURRENT ASSETS		<u>199,318</u>	<u>230,455</u>
TOTAL ASSETS		<u>608,214</u>	<u>760,832</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	11	164,937	320,000
Lease Liabilities	12	22,601	21,698
Employee Benefits	13	67,476	59,920
TOTAL CURRENT LIABILITIES		<u>255,014</u>	<u>401,618</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	12	156,765	179,367
Employee Benefits	13	761	555
TOTAL NON-CURRENT LIABILITIES		<u>157,526</u>	<u>179,922</u>
TOTAL LIABILITIES		<u>412,540</u>	<u>581,540</u>
NET ASSETS		<u>195,674</u>	<u>179,292</u>
EQUITY			
Capital Contributions	14	9,772	9,772
Retained Earnings		185,902	169,520
TOTAL EQUITY		<u>195,674</u>	<u>179,292</u>

The accompanying notes form part of these financial statements.

Commerce Ballarat Limited

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Statement of Changes in Equity
For the Year Ended 31 December 2022

2022

	Retained Earnings	Capital Contributions (Note 14)	Total
	\$	\$	\$
Balance at 1 January 2022	169,520	9,772	179,292
Profit for the year	16,382	-	16,382
Balance at 31 December 2022	185,902	9,772	195,674

2021

	Retained Earnings	Capital Contributions (Note 14)	Total
	\$	\$	\$
Balance at 1 January 2021	229,872	9,772	239,644
Loss for the year	(60,352)	-	(60,352)
Balance at 31 December 2021	169,520	9,772	179,292

The accompanying notes form part of these financial statements.

Commerce Ballarat Limited

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Statement of Cash Flows**For the Year Ended 31 December 2022**

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Government and Members	835,503	808,521
Payments to Suppliers and Employees	(1,000,387)	(643,239)
Interest Received	1,137	20
Net cash provided by/(used in) Operating Activities	15 <u>(163,747)</u>	<u>165,302</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Plant and Equipment	-	(15,895)
Proceeds from Investments	150,736	-
Net cash provided by/(used in) Investing Activities	<u>150,736</u>	<u>(15,895)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of Lease Liabilities	<u>(21,699)</u>	<u>(21,789)</u>
Net cash used in financing activities	<u>(21,699)</u>	<u>(21,789)</u>
Net movement in cash and cash equivalents held	<u>(34,710)</u>	127,618
Cash and cash equivalents at beginning of year	<u>288,938</u>	<u>161,320</u>
Cash and cash equivalents at end of financial year	5 <u><u>254,228</u></u>	<u><u>288,938</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2022

The financial report covers Commerce Ballarat Limited as an individual entity. Commerce Ballarat Limited is a Company, incorporated and domiciled in Australia.

1 Basis of Preparation

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

The financial statements have been prepared in accordance with all the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

2 Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(b) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and Other Income (continued)

Donations

Donations and bequests are recognised as revenue when received.

Interest Income

Interest is recognised using the effective interest method.

Member Subscriptions

Revenue from the provision of member subscriptions is recognised on a straight line basis over the subscription year from 1 July to 30 June. The balance of the unrecognised member subscriptions at the reporting date is recorded in the statement of financial position as a liability.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other Income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(c) Leases (continued)

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(d) Plant and Equipment (continued)

Depreciation

Plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets' useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Office Equipment	5% to 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period and are measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Trade receivables and trade payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(g) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents (including term deposits) in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets measured at amortised cost

- contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(h) Financial Instruments (continued)

Financial Assets (continued)

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

In some circumstances, the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(i) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Revenue

	2022	2021
	\$	\$
Revenue from contracts with customers		
Award Publications	9,050	12,509
B31 Sponsorship	5,300	6,209
BDO Sponsorship	9,200	6,700
Bisnet Breakfast	16,331	10,072
Bisnet Sponsorship	11,000	23,899
BSB Sponsorship	29,944	21,038
Business Award Sponsorship	109,700	88,250
Business Day Out	14,278	12,895
Funding	23,636	-
Grant Income - City of Ballarat	113,575	184,091
Grant Income - DJPR	269,750	60,900
Member Subscriptions	164,911	147,377
Resilience and Innovation	179,836	10,000
Ticket Sales - Business Awards Gala Evening	71,614	44,676
Training Courses Income	6,155	12,471
Vic Regional Chamber Alliance	20,600	2,039
Young Professionals	4,039	2,665
	<u>1,058,919</u>	<u>645,791</u>
Revenue from other sources		
Gain on Lease Cancellation	-	200
Interest Income	886	1,024
Miscellaneous Income	5,719	2,886
	<u>6,605</u>	<u>4,110</u>
Total Revenue	<u>1,065,524</u>	<u>649,901</u>
Disaggregation of revenue from contracts with customers		
Timing of revenue recognition		
At a point in time	<u>1,058,919</u>	<u>645,791</u>
	<u>1,058,919</u>	<u>645,791</u>
Type of contract		
- Provision of services	631,358	428,761
- Grant Funding	427,561	217,030
	<u>1,058,919</u>	<u>645,791</u>

Commerce Ballarat Limited

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Notes to the Financial Statements For the Year Ended 31 December 2022

4 Expenses

	2022	2021
	\$	\$
Employee Benefits Expense		
Movement in Annual Leave and Long Service Leave Provisions	7,762	4,522
Salaries, Wages and Contract Staff	301,160	253,381
Superannuation Contributions	31,721	24,598
Workers Compensation	849	1,182
	<u>341,492</u>	<u>283,683</u>
Depreciation Expense		
Depreciation - Office Equipment	6,398	8,168
Depreciation - Right-of-use Asset	24,739	22,678
	<u>31,137</u>	<u>30,846</u>
Business Awards and Business Day Out expenses		
Bisnet Expenses	33,863	27,424
Business Awards Expenses	170,421	123,732
Business Day Out Expenses	2,531	34,001
	<u>206,815</u>	<u>185,157</u>
Finance Costs		
Lease Interest Expense	7,980	7,962
	<u>7,980</u>	<u>7,962</u>
Other Events		
Christmas Competition	5,430	9,429
Other Special Events	14,484	9,222
The Ballarat Experience	2,683	5,080
Wellbeing Project	2,172	-
Young Professionals	5,169	4,346
	<u>29,938</u>	<u>28,077</u>
Other Operating Expenses		
Accounting and Audit fees	5,160	6,129
Advertising	92,186	45,868
Bank Charges	1,295	3,082
Board Meeting Expenses	1,903	7,229
Computer Expenses	14,796	6,806
Donations	430	2,301
Electricity and Internet	6,933	4,543
Functions (Staff and Board)	10,886	7,165
Cleaning	-	7,557
Industry & Education Tour	7,022	-
Grow Project	175,988	-
Insurance	3,255	3,223
Member's Training	314	4,932
Occupancy Expenses	5,518	3,815
Postage	2,354	3,279
Printing and Stationery	8,171	8,117
Subscriptions	1,038	987
Sundry Expenses	56,641	42,319
Telephone and Fax	13,195	9,525
Travel	2,860	851
Vic Regional Chamber Alliance	17,104	2,600
Website Development	4,731	4,200
	<u>431,780</u>	<u>174,528</u>

Commerce Ballarat Limited

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Notes to the Financial Statements**For the Year Ended 31 December 2022****5 Cash and Cash Equivalents**

	2022	2021
	\$	\$
Cash at Bank	254,228	288,938
	254,228	288,938

6 Trade and Other Receivables

Trade Receivables	71,099	15,448
GST Receivable	-	7,475
Accrued Interest	-	252
	71,099	23,175

7 Other Financial Assets

Bank Australia Term Deposit	65,590	65,231
Westpac Term Deposit	-	151,095
	65,590	216,326

8 Other Assets

Prepayments	17,979	1,938
	17,979	1,938

9 Plant and Equipment

Office Equipment		
At Cost	52,111	52,111
Accumulated Depreciation	(28,029)	(21,631)
	24,082	30,480

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment	Total
	\$	\$
Balance at the Beginning of Year	30,480	30,480
Depreciation Expense	(6,398)	(6,398)
Balance at the End of the Year	24,082	24,082

Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Leases

Company as a lessee

The Company has a lease over a building.

Information relating to the leases in place and associated balances and transactions are provided below.

The right-of-use asset relates to the new premises at 119 Lydiard Street North, Ballarat.

Right-of-use assets

	Buildings \$	Total \$
Year ended 31 December 2022		
Opening balance	199,975	199,975
Depreciation charge	(24,739)	(24,739)
Balance at end of year	175,236	175,236

	Buildings \$	Total \$
Year ended 31 December 2021		
Opening balance	1,827	1,827
Disposals of right-of-use asset	(1,827)	(1,827)
Additions of right-of-use asset	222,653	222,653
Depreciation charge	(22,678)	(22,678)
Balance at end of year	199,975	199,975

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2022					
Lease liabilities	29,500	118,000	59,000	206,500	179,366
2021					
Lease liabilities	29,500	118,000	88,500	236,000	201,065

Commerce Ballarat Limited

ACN 109 145 619

Notes to the Financial Statements

For the Year Ended 31 December 2022

11 Trade and Other Payables

	2022	2021
	\$	\$
Trade Payables	38,281	35,077
GST Receivable	13,672	-
PAYG Payable	7,391	7,385
Other Payables	12,124	6,309
<i>Income in advance</i>		
Member Subscriptions	93,469	92,129
Grant Funding	-	179,100
	<u>164,937</u>	<u>320,000</u>

12 Lease Liabilities

CURRENT

Lease Liabilities - Right of Use Asset	<u>22,601</u>	21,698
	<u>22,601</u>	<u>21,698</u>

NON-CURRENT

Lease Liabilities - Right of Use Asset	<u>156,765</u>	179,367
	<u>156,765</u>	<u>179,367</u>

13 Employee Benefits

CURRENT

Annual Leave	22,616	22,592
Long Service Leave	44,860	37,328
	<u>67,476</u>	<u>59,920</u>

NON-CURRENT

Long Service Leave	<u>761</u>	555
	<u>761</u>	<u>555</u>

14 Capital Contributions

Capital contributions represent funds received from Ballarat Chamber of Commerce.

Notes to the Financial Statements

For the Year Ended 31 December 2022

15 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Profit/(Loss) for the Year	16,382	(60,352)
Non-cash flows in profit:		
- Depreciation	31,137	30,846
Changes in Assets and Liabilities:		
- (Increase)/Decrease in Trade and Other Receivables	(47,924)	(14,161)
- (Increase)/Decrease in Other Financial Assets	-	(1,192)
- (Increase)/Decrease in Prepayments	(16,041)	232
- Increase/(Decrease) in Trade and Other Payables	(155,063)	205,407
- Increase/(Decrease) in Employee Benefits	7,762	4,522
Cashflow from Operations	<u>(163,747)</u>	<u>165,302</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

16 Related Party Transactions

The names of the persons who were directors of the Company during the year are set out in the directors report attached to these financial statements.

The following transactions with related parties occurred during the year:

Leader Property Practice purchased membership to the Company. Adrian Doyle is a Director of Leader Property Practice and is a Director of Commerce Ballarat. These sales were made on normal terms and conditions.

BJT Legal purchased membership, entry to various functions and provided sponsorship to the Company. Hayley Coates is a Director of BJT Legal and is Vice-Chair of Commerce Ballarat. These sales were made on normal terms and conditions.

Findex purchased membership and provided sponsorship to the Company. Jamie Lockett was a Principal of Findex and is a Director of Commerce Ballarat. These sales were made on normal terms and conditions.

On Tap Liquor Consulting purchased membership to the Company. James Robson is a Director of On Tap Liquor Consulting and is a Director of Commerce Ballarat. These sales were made on normal terms and conditions.

The Sporting Globe purchased membership to the Company. Anne Alexander is the owner of The Sporting Globe and is a Director of Commerce Ballarat. These sales were made on normal terms and conditions.

Sharp Accounting purchased membership and entry to various functions held by the Company. Ewen Fletcher is a Director of Sharp Accounting and is Treasurer of Commerce Ballarat. These sales were made on normal terms and conditions.

Ballarat Basketball purchased membership to the Company. Neville Ivey is the CEO Ballarat Basketball. These sales were made on normal terms and conditions.

City of Ballarat is a funding partner to the Company. Peter Eddy is a councillor of the Council. The funding were made on normal terms and conditions.

Federation University is a funding partner and purchased entry to various functions held by the Company. Gabrielle Suder is a Professor of Federation University. The funding and sales were made on normal terms and conditions.

Child and Family Services (CAFS) purchased membership, entry to various functions and provided sponsorship to the Company. Serena Eldridge is the manager of brand development at CAFS. These sales were made on normal terms and conditions.

17 Company Details

The registered office of and principal place of business of the company is:

Commerce Ballarat Limited
119 Lydiard Street North
Ballarat Vic 3350

Commerce Ballarat Limited

ACN 109 145 619

Directors' Declaration

The committee has determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

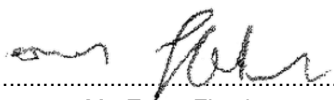
In the opinion of the committee the financial report as set out on pages 6 to 22:

1. Presents fairly the financial position of Commerce Ballarat Limited as at 31 December 2022 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Commerce Ballarat Limited will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Chair

Ms. Hayley Coates

Treasurer

Mr. Ewen Fletcher

Dated 10 May 2023

Commerce Ballarat Limited
ACN 109 145 619

Independent Audit Report to the Directors of Commerce Ballarat Limited

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Commerce Ballarat Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 31 December 2022 is prepared, in all material respects, in accordance with *Corporations Act 2001*.

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

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 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Company in *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Board

Management is responsible for the preparation and fair presentation of the financial report in accordance with *Corporations Act 2001*, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the Company'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

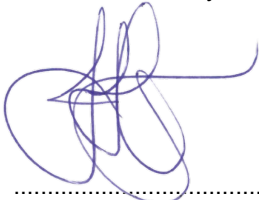
Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "Jason Hargreaves", is written over a horizontal dotted line.

Jason Hargreaves
Director

180 Eleanor Drive
Lucas VIC 3350

10 May 2023