VECCI annual report

Year ended 30 June 2013

The Victorian Employers' Chamber of Commerce and Industry (VECCI) is the peak body for employers in Victoria, informing and servicing more than 15,000 members, customers and clients around the state.

VECCI's success over almost 160 years is built on consistently providing leadership, information, representation and networking opportunities to businesses across the state.

VECCI makes a positive difference to Victoria's economic, environment and community health. It influences Victoria's future through business leadership and services focused on policy solutions, innovation and excellence.

In the past year, a range of submissions were made on behalf of VECCI members to both federal and state parliamentary enquiries, and particular focus was given to the national chamber campaign for the federal election – *Small Business, Too Big to Ignore* – and VECCI's *State Budget Submission 2013/14.*

VECCI welcomed the ensuing state budget, noting its forecast $225 million surplus for the next year, which will help retain the state's AAA credit rating, and its emphasis on infrastructure spending on roads, rail capacity and the removal of level crossings. VECCI also welcomed the investment in the Office of State Development, a new international education strategy and international trade opportunities.

Significant contribution to VECCI's profile was also made by its workplace relations services function through various modern award review applications and general representation of members.

VECCI continues to strengthen its trade and investment ties with international partners, signing a Memorandum of Understanding with the Qingdao Agribusiness Chamber in March 2013, as well as consolidating its relationship with 15 other chambers in China. VECCI also participated in the Victorian Premier's super trade missions to China, India and the World Chambers Congress during the financial year.

Under an awarded contract with the Commonwealth Department of Industry, VECCI continued to successfully deliver Australian Apprenticeships support services and the Mentoring and Advisers Program to more than 9,000 employers and 25,000 apprentices and trainees across Victoria for the eleventh year in a row.

In addition to its policy and advocacy role, VECCI offers a wide range of products and services to assist Victorian businesses. These including training, consulting services, networking events, publications, tools and templates provision, international trade services and documentation, and business sustainability advice.

VECCI annual report

For the year ended 30 June 2013

Operating report

For the year ended 30 June 2013

Members of committee of management

The members of the committee of management (Board of Directors) comprise of elected representatives of the Executive Council of Victorian Employers' Chamber of Commerce and Industry (VECCI) who form the Board of Directors.
The immediate past President of VECCI is able to attend meetings of the Board of Directors but is not entitled to be a member of the Board, nor move or second a vote on any motion.

The Directors present their report together with the financial report of VECCI for the year ended 30 June 2013 and the Auditor's Report thereon.

The persons who held office as members of the Board of Directors of VECCI during the reporting period were:

Mr Peter McMullin	President	Appointed 22.11.2005	
Mr Mark Birrell	Vice President	Appointed 20.11.2007	
Mr Richard Holyman	Director	Appointed 28.03.2000	
Mr Kevin Brown	Director	Appointed 27.05.2003	
Ms Wendy Swift	Director	Appointed 07.06.2005	Resigned 03.09.2012
Mr Ian Bird	Director	Appointed 05.09.2006	
Mr Don Rankin	Director	Appointed 20.11.2007	
Ms Karyn Sobels	Director	Appointed 22.11.2011	
Ms Kerry Smith	Director	Appointed 20.11.2012	
Mr Mark Stone	Secretary/Chief Executive	Appointed 20.06.2011	

Meetings – Board of Directors

The number of meetings attended by each of the members of the Board of Directors of VECCI during the financial year were:

	NUMBER OF MEETINGS HELD WHILE IN OFFICE	MEETINGS ATTENDED
Mr Peter McMullin	11	11
Mr Mark Birrell	11	10
Mr Richard Holyman	11	7
Mr Kevin Brown	11	11
Ms Wendy Swift	3	2
Mr Ian Bird	11	11
Mr Don Rankin	11	8
Ms Karyn Sobels	11	11
Ms Kerry Smith	9	9
Mr Mark Stone	11	11

Mr Jeremy Johnson has attended 9 Board meetings throughout the year in his capacity as immediate Past President.

Operating report continued

For the year ended 30 June 2013

Superannuation trustees

Name of Officer	Superannuation Fund	Nominated by VECCI or Peak Body?
Mr Wayne Kayler-Thomson	VICSuper	Yes
Mr Graham Sherry	Vision Super	Yes
Mr Mark Sibree	CARE Super	Yes
Mr Mark Birrell	Post Super Pty Ltd	No

Board of Directors – other board representations

Name of Company/Board	Principal Activities	Nominated by VECCI or Peak Body?
Mr Peter McMullin		
Australian Chamber of Commerce & Industry	Industry association	Yes
The CCI – Victoria Legal Trust	Legal firm	Yes
Australian Chamber Alliance	Industry association	Yes
International Chamber of Commerce	Industry association	Yes
Premac Nominees Pty Ltd	Family trust	No
McMullin Nominees Pty Ltd	Investment	No
Geelong Art Gallery Inc.	Gallery activities	No
National Portrait Gallery of Australia	Gallery activities	No
Edgars Rd Pty Ltd	Property development	No
Northpoint Park Estate Pty Ltd	Property development	No
Victorian Curriculum & Assessment Audit Committee	Curriculum & assessment	No
Mr Mark Birrell		
Citywide Service Solutions Pty Ltd	Environmental services	No
IPA	Peak organisation	No
VicHealth	Health foundation	No
Port of Melbourne Corporation	Port manager	No
Infrastructure Australia	Statutory body	No
Mr Richard Holyman		
Australian Chamber of Commerce & Industry	Industry association	Yes
The CCI – Victoria Legal Trust	Legal firm	Yes
Martin & Pleasance Pty Ltd	Health products	No
Tripoint Marketing Pty Ltd	Pharmacy brokerage	No
A.V. Industries Pty Ltd	Contract manufacturing	No
Brandfolio	Pharmacy brokerage	No
Good Health New Zealand Limited	Health products	No
Carasville Pty Ltd	Private company	No

Operating report continued

For the year ended 30 June 2013

Board of Directors – other board representations (continued)

Name of Company/Board	Principal Activities	Nominated by VECCI or Peak Body?
Mr Don Rankin		
Baker Tilly International Pty Ltd	Professional services	No
Baker Tilly Pitcher Partners Pty Ltd	Professional services	No
Baker Tilly Pty Ltd	Professional services	No
Centre for Family Business Pty Ltd	Professional services	No
Contravale Pty Ltd	Investment	No
Critical Point Network Pty Ltd	Professional services	No
Freethink Pty Ltd	Investment	No
International Trade Management Pty Ltd	Trade services	No
International Trade Management Services Pty Ltd	Trade services	No
Man Made Potting Pty Ltd	Trustee	No
Owner Managed Business Institute of Australia Pty Ltd	Professional services	No
Parend Pty Ltd	Investment	No
Pari Passu Pty Ltd	Investment	No
Petron Pty Ltd	Trustee	No
Pitcher Partners Advisors Pty Ltd	Professional services	No
Pitcher Partners Consulting Pty Ltd	Professional services	No
Pitcher Partners Corporate Pty Ltd	Professional services	No
Pitcher Partners Holdings Pty Ltd	Professional services	No
Pitcher Partners Institute of Entrepreneurship & Innovation Pty Ltd	Professional services	No
Pitcher Partners Licensing Pty Ltd	Professional services	No
Pitcher Partners Nominees Pty Ltd	Investment	No
Pitcher Partners Software Solutions Pty Ltd	Professional services	No
Southern Cross Customs & Forwarding Pty Ltd	Trade services	No
Cottage by The Sea	Charity	No

Operating report continued

For the year ended 30 June 2013

Board of Directors – other board representations (continued)

Ms Karyn Sobels

Telstra Licensee Association	Association of Telstra business owners	No
Simply Business Pty Ltd	Consultancy business	No
Sobels Consulting Pty Ltd	Publisher	No
Alpha Autism Incorporated	Disability services	No

Ms Kerry Smith

Australian Retail Food Network	Foodservice	No
Glacier Food Group Pty Ltd	Property trust	No
LS & RS Holdings Pty Ltd	Property trust	No
R & JS Holdings Pty Ltd	Investment trust	No
Corporate Foodservice Pty Ltd	Foodservice distribution	No
ACN 077 509 641 Pty Ltd	Property trust	No
ACN 079 996 820 Pty Ltd	Property trust	No
PFD Food Services Pty Ltd	Foodservice distribution	No
PFD Regional Pty Ltd	Dormant	No
Glacier Nominees Pty Ltd	Property trust	No
Beaumont Fresh Meats Pty Ltd	Fresh meat production	No

Mr Ian Bird

International Advisory Partners Pty Ltd	Investment manager	No
Purestart Nutrition Pty Ltd.	Nutritional supplements	No

Mr Mark Stone

Australian Chamber of Commerce & Industry	Industry association	Yes
The CCI – Victoria Legal Trust	Legal firm	Yes
Tourism Australia	Government agency	No

Operating report continued

For the year ended 30 June 2013

Principal activities

The principal activities of VECCI during the financial year were to assist the interests of Victorian business members and contributors via representation and advocacy to Government and policy makers, along with providing membership services primarily involving industrial relations, information, advice, networking and value-added professional services. VECCI makes a positive difference to Victoria's economic, environment and community health. There was no significant change in the nature of these activities during the period.

Review and results of operations

VECCI recorded a consolidated Operating Profit for the year ended 30 June 2013 of $3,551,547 (2012: $1,226,854).

The consolidated Net Assets at 30 June 2013 totalled $73,367,145 (2012: $68,268,648).

Membership of VECCI

As at 30 June 2013, VECCI had 5,852 paid members (2012: 5,253).

Employees of VECCI

As at 30 June 2013, the total number of employees was 248 (2012: 246).

Manner of resignation

Rule 10 provides for the process of resignations.

(a) (i) A member may resign from membership of the Organisation by written notice addressed and delivered to the Secretary. Such notice shall be taken to have been received by the Organisation when delivered to the Secretary.

(ii) A notice of resignation that has been received by the Organisation is not invalid because it was not addressed and delivered to the Secretary.

(iii) A resignation from membership of the Organisation is valid even if it is not effected in accordance with paragraph (i) hereof if the member is informed in writing by or on behalf of the Organisation that the resignation has been accepted.

(b) A notice of resignation from membership of the Organisation takes effect:

(i) where the member ceases to be eligible to become a member of the Organisation:

1. on the day on which the notice is received by the Organisation; or

2. on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(ii) in any other case:

1. at the expiration of two weeks after the notice is received by the Organisation; or

2. on the day specified in the notice;

whichever is later.

(c) If a member ceases to be engaged in or as an employer in the industry the membership of such member may, subject to the member being accorded natural justice, be determined summarily by resolution of the Executive Council, provide however that such determination shall not affect the liability of the member to pay all monies owing by the member to the Organisation.

(d) Any dues payable but not paid by a former member of the Organisation, in relation to a period before the member's resignation or termination from the Organisation took effect, may be sued for and recovered in the name of the Organisation in a court of competent jurisdiction, as a debt due to the Organisation.

Operating report continued

For the year ended 30 June 2013

(e) If a member becomes unfinancial in accordance with Rule 9 his name may be struck off the Register of Members by Order of the Executive Council. Any member shall cease to be a member of the Organisation as soon as his name shall have been struck off the Register of Members by Order of the Executive Council and not sooner. Provided that where a member has become unfinancial and at least fourteen (14) days before the Executive Council orders that the member be struck off the Register of Members, the Secretary shall advise the person, in writing, that if he fails to pay the outstanding subscriptions within fourteen (14) days of the date of the letter then he will be struck off the Register of Members without further notice. If the person pays the outstanding subscriptions within that time then he shall not be struck off the Register of Members.

(f) Any member who shall be expelled from the Organisation under the Provisions of Rule 40 hereof shall thereupon cease to be a member.

(g) Members ceasing to be such from any cause whatsoever have no claim of any kind – monetary or otherwise – on the organisation or its assets.

Events after balance date

There are no material known events subsequent to the reporting date that are required to be disclosed.

Signed in accordance with a resolution of the committee of management.

Signed: Secretary and Chief Executive

Mark Stone
At Melbourne, 16 October 2013

Statement of comprehensive income

For the year ended 30 June 2013

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $
Revenue	2a	33,860,219	33,010,580	33,651,780	32,727,438
Other income	2b	6,146,704	446,812	6,011,747	490,508
TOTAL REVENUE AND OTHER INCOME		**40,006,923**	**33,457,392**	**39,663,527**	**33,217,946**
Operating expenses		4,316,395	3,508,113	4,334,727	3,499,034
Affiliation fees		648,071	509,244	648,071	509,244
Depreciation and amortisation expense	3	1,222,982	1,586,451	1,220,160	1,583,874
Donations		19,607	26,780	19,607	26,780
Federal and State Government programs (excluding remuneration)		2,321,435	1,907,220	2,321,435	1,907,410
Occupancy		1,768,459	1,689,508	1,768,459	1,689,508
Remuneration – employees		19,824,299	18,024,714	19,580,758	17,658,396
Remuneration – office bearers	4c	671,006	574,911	671,006	574,911
Superannuation – employees		1,493,941	1,434,486	1,473,793	1,403,929
Superannuation – office bearers	4c	64,005	98,035	64,005	98,035
Consultancy Fees	3	1,325,990	1,489,144	1,325,798	1,485,494
Other administration expenses		2,779,186	1,381,932	2,714,492	1,468,613
TOTAL EXPENDITURE		**36,455,376**	**32,230,538**	**36,142,311**	**31,905,228**
CURRENT YEAR SURPLUS BEFORE TAX		**3,551,547**	**1,226,854**	**3,521,216**	**1,312,718**
Income tax expense	1b	-	-	-	-
NET CURRENT YEAR SURPLUS		**3,551,547**	**1,226,854**	**3,521,216**	**1,312,718**
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss when specific conditions are met:loss when specific conditions are met:					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Revaluation of land and buildings	9	1,546,950	-	1,546,950	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**1,546,950**	**-**	**1,546,950**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**5,098,497**	**1,226,854**	**5,068,165**	**1,312,718**
NET CURRENT YEAR SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ENTITY		3,551,547	1,226,854	3,521,215	1,312,718
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		5,098,497	1,226,854	5,068,165	1,312,718

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

Statement of financial position

For the year ended 30 June 2013

		CONSOLIDATED		PARENT	
	Note	**2013 $**	2012 $	**2013 $**	2012 $
Current assets					
Cash and cash equivalents	5	4,766,832	8,995,720	4,647,892	8,878,996
Trade and other receivables	6	3,446,176	2,784,918	3,700,330	3,050,112
Financial assets	7	1,867,539	-	1,867,539	-
TOTAL CURRENT ASSETS		**10,080,547**	**11,780,638**	**10,215,761**	**11,929,108**
Non-current assets					
Financial assets	7	47,169,913	41,572,722	47,169,933	41,572,742
Intangible assets	8	211,442	294,265	209,772	291,667
Property, plant and equipment	9	25,496,543	24,361,379	25,477,920	24,340,863
TOTAL NON-CURRENT ASSETS		**72,877,898**	**66,228,366**	**72,857,625**	**66,205,272**
TOTAL ASSETS		**82,958,445**	**78,009,004**	**83,073,386**	**78,134,380**
Current liabilities					
Trade and other payables	10	3,536,552	3,534,219	3,503,421	3,474,001
Deferred revenue	11	4,655,662	4,930,644	4,655,662	4,930,644
Short-term provisions	12	1,331,546	1,125,360	1,313,875	1,114,881
TOTAL CURRENT LIABILITIES		**9,523,760**	**9,590,223**	**9,472,958**	**9,519,526**
Non-current liabilities					
Provision for long service leave	12	67,540	150,133	67,540	150,133
TOTAL NON-CURRENT LIABILITIES		**67,540**	**150,133**	**67,540**	**150,133**
TOTAL LIABILITIES		**9,591,300**	**9,740,356**	**9,540,499**	**9,669,659**
NET ASSETS		**73,367,145**	**68,268,648**	**73,532,887**	**68,464,721**
Members' funds					
Retained earnings	13	64,629,796	61,078,249	64,795,538	61,274,322
Reserves	13	8,737,349	7,190,399	8,737,349	7,190,399
TOTAL MEMBERS' FUNDS		**73,367,145**	**68,268,648**	**73,532,887**	**68,464,721**

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

Statement of changes in members' funds

For the year ended 30 June 2013

CONSOLIDATED	RETAINED EARNINGS	ASSET REVALUATION RESERVE	TOTAL
	$	$	$
Balance at 1 July 2011	59,851,395	7,190,399	67,041,794
Surplus for year attributable to members of the parent entity	1,226,854	–	1,226,854
Other comprehensive income for the year	–	–	–
Balance at 1 July 2012	61,078,249	61,078,249	68,268,648
Profit attributable to members of the parent entity	3,551,547	–	3,551,547
Other comprehensive income for the year	–	1,546,950	1,546,950
BALANCE AT 30 JUNE 2013	**64,629,796**	**8,737,349**	**73,367,145**

PARENT	RETAINED EARNINGS	ASSET REVALUATION RESERVE	TOTAL
	$	$	$
Balance at 1 July 2011	59,961,604	7,190,399	67,152,003
Surplus for the year attributable to members of the parent entity	1,312,718	–	1,312,718
Other comprehensive income for the year	–	–	–
Balance at 1 July 2012	61,274,322	7,190,399	68,464,721
Surplus for the year attributable to members of the parent entity	3,521,216	–	3,521,216
Other comprehensive income for the year	–	1,546,950	1,546,950
BALANCE AT 30 JUNE 2013	**64,795,538**	**8,737,349**	**73,532,887**

The statement of changes in members' funds should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2013

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $
Cash flow from operating activities					
Receipts from members and others		16,523,048	18,176,340	17,756,641	18,156,296
Receipts from Federal and State Government programs		16,522,687	16,527,526	16,916,486	16,527,526
Payments to suppliers and employees		(34,926,456)	(31,560,300)	(36,555,975)	(31,475,446)
Interest received		174,423	467,192	174,334	467,120
NET CASH PROVIDED FROM OPERATING ACTIVITIES	16	**(1,706,298)**	**3,610,758**	**(1,708,514)**	**3,675,496**
Cash flow from investing activities					
Payments for investments		(5,548,895)	(12,250,541)	(5,548,895)	(12,339,443)
Proceeds from the sale of investments		3,698,885	9,284,079	3,698,885	9,284,080
Payment for purchase of property, plant, equipment and intangible assets		(1,133,950)	(740,343)	(1,133,950)	(731,701)
Proceeds from sale of property, plant, equipment and intangible assets		461,370	-	461,370	-
NET CASH USED IN INVESTING ACTIVITIES		**(2,522,590)**	**(3,706,805)**	**(2,522,590)**	**(3,787,064)**
Net increase/(decrease) in cash held		(4,228,888)	(96,047)	(4,231,104)	(111,568)
Cash at the beginning of the financial year		8,995,720	9,091,767	8,878,996	8,990,564
CASH AT THE END OF THE FINANCIAL YEAR	5	**4,766,832**	**8,995,720**	**4,647,892**	**8,878,996**

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

Notes to the financial statements

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies

This financial report includes the consolidated financial statements and notes of VECCI and controlled entities ('consolidated group' or 'group') and the separate financial statements and notes of VECCI as an individual parent entity ('parent entity').

Entity information

VECCI is a registered Employer Association under the Fair Work (Registered Organisations) Act 2009, incorporated and domiciled in Australia. VECCI is considered a 'reporting unit' for the purposes of section 242 of the Fair Work (Registered Organisations) Act 2009.

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
3. A reporting unit must comply with an application made under subsection (1).

Information prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request.

Basis of preparation

Reporting basis and conventions

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. VECCI is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

a. Principles of consolidation

A controlled entity is any entity over which VECCI has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

The controlled entities contained in the financial statements are the CCI - Victoria Legal Trust, VECCI Business Brokers Pty Ltd and VECCI Business Brokers Trust.

As at reporting date, the assets and liabilities of the controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered/(left) the consolidated group during the year, their operating results have been included/(excluded) from the date control was obtained/(ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

There are no minority interests held by persons outside of the group.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies (continued)

b. Income tax

As a registered Employer Association, VECCI is exempt from income tax in accordance with Section 50-15 of the Income Tax Assessment Act 1997.

c. Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity through 'other comprehensive income'. Decreases that offset previous increases of the same asset reduce the reserves directly in equity through 'other comprehensive income'. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. If any impairment indicators exist, the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to present values in determining the recoverable amount.

d. Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies (continued)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(iv) Financial liabilities

Non-derivative financial liabilities, excluding financial guarantees, are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss.

e. Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight line basis over their useful lives to the group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Plant and equipment	20-27%

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Leases

Finance leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the consolidated group are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Finance leases are depreciated on a straight line basis over their estimated useful lives or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies (continued)

f. Leases (continued)

Operating leases

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

g. Employee benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and long service leave which will be settled within one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits and on-costs payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the group to an employee superannuation fund and are charged as expenses when incurred.

h. Cash and cash equivalents

Cash and cash equivalents include: cash on hand; deposits held at call with banks; and other short-term highly liquid investments which are readily convertible to cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

j. Revenue

(i) Membership revenue

General membership revenue is initially recognised on receipt of payment from the member. Melbourne Chamber of Commerce membership revenue is initially recognised when a sales invoice for membership dues is raised. All membership revenue is recognised on an accruals basis over the twelve-month period of the paid membership.

(ii) Training revenue

Training revenue for scheduled courses is recognised on an accruals basis and recognised in the month that the course is held.

(iii) Other revenue

Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets. Rental, sponsorship and event income are recognised on an accruals basis.

(iv) Dividend revenue

Dividend and distribution revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(v) Grant revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

(vi) Professional services revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of GST.

k. Comparative figures

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

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies (continued)

l. Prior year reinstatements

Cash Flow Statement

Within the prior year Statement of Cash Flows and the corresponding Note 16: Cash flow information, a reclassification between *Receipts from members and others* and *Proceeds from the sale of investments* has occurred. This reclassification is a result of previously incorrect classification of a decrease in the fair value of investments.

The impact to the Statement of Cash Flows for the year ending 30 June 2012 was that *Net Cash provided from operating activities* increased by $4,028,056 and Net cash used in investing activities decreased by $4,028,056. The impact to Note 16: Cash flow information was that *Change in fair value of investments* increased by $4,028,056.

These restatements have no impact to the prior year financial result.

m. Impairment of assets

At each reporting date, the group reviews the carrying values 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. 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 to which the asset belongs.

n. Intangible assets – systems development and software

Assets relating to information technology and system development are carried at cost less any accumulated amortisation and impairment losses. These costs have a finite life and are amortised over their useful life ranging from two to four years.

o. Provisions

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

p. Critical accounting estimates and judgements

Trade receivables

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. Management are required to exercise judgement in the process of applying accounting policies. In preparing the financial statement the following key judgements were made:

Included in trade receivables at the end of the reporting period is an amount receivable from customers during the current financial year amounting to $1,732,754 for the group and $1,704,286 for the parent entity. Management has determined that the recoverability of these debts is uncertain, hence a provision for impairment has been made. An assessment of all accounts outstanding for longer than the agreed trading terms has been undertaken.

Property, plant and equipment – buildings

Buildings are classified as property, plant and equipment and not an investment property, despite the fact that the group receives property income for the leased proportion, on the basis the proportion occupied by the group is considered to be significantly greater than that being leased.

q. Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the group's share of post-acquisition reserves of its associates.

The group had the following investments in associates which were dormant during the period:

Business Advisory Centre

The group had the following investments in associates which were active during the period:

Australian Chamber Alliance

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies (continued)

r. New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations 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's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

– AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
- simplifying the requirements or embedded derivatives
- removing the tainting rules associated with held-to-maturity assets
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the association is expected to adopt AASB 9 and AASB 2010–7 for the annual reporting period ending 31 December 2015. Although the members of the committee anticipate that the adoption of AASB 9 and AASB 2010–7 may have a significant impact on the association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity information and statement of significant accounting policies (continued)

AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and *Interpretation* 112: *Consolidation – Special Purpose Entities.* AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This standard is not expected to significantly impact the association's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This standard is not expected to significantly impact the association's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This standard will affect disclosures only and is not expected to significantly impact the association's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the association's financial statements.

AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards* arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the association's financial statements.

AASB 119: *Employee Benefits* (September 2011) and AASB 2011–10: *Amendments to Australian Accounting Standards* arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards introduce a number of changes to accounting and presentation of defined benefit plans. The association does not have any defined benefit plans and so is not impacted by the amendments.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:
  - (i) for an offer that may be withdrawn – when the employee accepts;
  - (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 1: Entity Information and statement of significant accounting policies (continued)

(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

These standards are not expected to significantly impact the association's financial statements.

AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: *Financial Instruments*: Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This standard is not expected to significantly impact the association's financial statements.

AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This standard is not expected to significantly impact the association's financial statements.

AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle* (applicable for annual reporting periods commencing on or after 1 January 2013).

This standard amends a number of Australian Accounting Standards as a consequence of the issuance of Annual Improvements to IFRSs 2009–2011 Cycle by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information
- AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment
- AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This standard is not expected to significantly impact the association's financial statements.

Notes to the financial statements continued

For the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 $	2012 $	**2013 $**	2012 $
NOTE 2: Revenue and other income				
a. Revenue				
Membership and contributors subscriptions	**6,026,003**	6,707,288	**6,026,003**	6,707,288
Federal and State Government programs	**16,532,916**	15,291,767	**16,532,916**	15,291,767
Professional services	**7,230,023**	7,111,944	**7,021,584**	6,828,802
Training	**3,051,315**	3,393,238	**3,051,315**	3,393,238
Dividends	**1,019,962**	506,343	**1,019,962**	506,343
	33,860,219	**33,010,580**	**33,651,780**	**32,727,438**
b. Other income				
Income from investments	**2,855,617**	2,276,152	**2,855,528**	2,319,983
Gain on financial assets at fair value through profit or loss	**2,991,283**	(2,014,028)	**2,991,283**	(2,014,028)
Other	**299,804**	184,688	**164,936**	184,553
	6,146,704	**446,812**	**6,011,747**	**490,508**

The reporting unit did not receive capitation fees, donations, compulsory levies or any other financial support during the reporting period.

NOTE 3: Profit/loss

Profit has been determined after:

Depreciation and amortisation	**1,222,982**	1,586,451	**1,220,160**	1,583,874
Operating lease rental expense	**924,897**	909,762	**924,897**	909,762
Affiliation fees paid to ACCI	**648,071**	509,244	**648,071**	509,244
Legal expenses	**101,095**	71,949	**217,229**	187,574
Consultancy fees	**1,325,990**	1,489,144	**1,325,797**	1,485,494
Separation and Redundancy to employees*	**356,459**	410,999	**356,459**	410,999
Separation and Redundancy to officers**	-	51,835	-	51,835
Sponsorship Expense	**737,753**	194,819	**737,753**	194,819
Remuneration of auditor				
- audit fees	**82,500**	86,865	**71,000**	73,150

* included in Wages & salaries - employees in Statement of comprehensive income
** included in Wages & salaries - officers in Statement of comprehensive income

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 4: Key management personnel compensation

a. Directors

	2013	2012
Total number of Directors	8	8

The following persons were directors of VECCI during the financial year:

KEY MANAGEMENT PERSON	POSITION	APPOINTED	RESIGNED
Mr Peter McMullin	Director/Committee Member	22.11.2005	
Mr Mark Birrell	Director/Committee Member	20.11.2007	
Mr Richard Holyman	Director/Committee Member	28.03.2000	
Mr Kevin Brown	Director/Committee Member	27.05.2003	
Ms Wendy Swift	Director/Committee Member	07.06.2005	03.09.2012
Mr Ian Bird	Director/Committee Member	05.09.2006	
Mr Don Rankin	Director/Committee Member	20.11.2007	
Ms Karyn Sobels	Director/Committee Member	22.11.2011	
Ms Kerry Smith	Director/Committee Member	20.11.2012	

b. Other key management personnel

The following person also had authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, during the financial year:

Name	Position	Appointed
Mr Mark Stone	Secretary/Chief Executive	(appointed 20.06.2011)

	CONSOLIDATED		PARENT	
	2013 $	2012 $	2013 $	2012 $
c. Key management personnel compensation				
Short-term employee benefits	671,066	574,911	671,066	574,911
Post-employment benefits	64,005	98,035	64,005	98,035
Long-term benefits	–	–	–	–
	735,071	**672,946**	**735,071**	**672,946**

Notes to the financial statements continued

For the year ended 30 June 2013

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $

NOTE 5: Cash and cash equivalents

Cash at bank	**4,766,832**	8,995,720	**4,647,892**	8,878,996

Cash at bank includes deposits held in trust for the following purposes: Carnet deposits: $922,522 (2012: $1,162,556); VECCI Business Brokers: $4,609 (2012: $4,900); Business Migration: $14,299 (2012: $14,231); and grant funding: $907,975 (2012: $1,684,461).

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	**4,766,832**	8,995,720	**4,647,892**	8,878,996

NOTE 6: Trade and other receivables

Trade debtors	**2,204,288**	1,749,277	**2,175,820**	1,725,650
Less: impairment	**(197,006)**	(323,768)	**(194,798)**	(300,742)
	2,007,282	1,425,509	**1,981,022**	1,424,908
Other receivables	**1,438,894**	1,359,409	**1,438,431**	1,344,327
Amounts receivable from controlled entity	**-**	-	**1,339,680**	1,339,680
Impairment of related party receivables	**-**	-	**(1,058,803)**	(1,058,803)
	3,446,176	**2,784,918**	**3,700,330**	**3,050,112**

Other Receivables include: GST Paid, Prepayments and Sundry Debtors. At parent level, trade debtors include $138 receivable from the CCI – Victoria Legal Trust (2012: Nil).

a. Controlled entities

Unsecured loans made to CCI - Victoria Legal Trust ($1,265,675) and VECCI Business Brokers Pty Ltd ($74,005) and VECCI Business Brokers Trust are interest free.

b. Credit risk

The group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. Trade and other receivables is considered to be the main source of credit risk related to the group.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 6: Trade and other receivables (continued)

	GROSS AMOUNT $	PAST DUE AND IMPAIRED $	WITHIN INITIAL TRADE TERMS (age in days) < 30 $	WITHIN INITIAL TRADE TERMS (age in days) 31–60 $	PAST BUT NOT IMPAIRED (age in days) 61–90 $	PAST BUT NOT IMPAIRED (age in days) > 90 $
Consolidated						
2013						
Trade receivables	2,204,288	197,006	1,842,511	68,722	45,439	50,610
Other receivables	1,438,894	-	1,438,894	-	-	-
	3,643,182	**197,006**	**3,281,405**	**68,722**	**45,439**	**50,610**
2012						
Trade receivables	1,749,277	323,768	1,165,994	15,880	53,990	189,645
Other receivables	1,359,409	-	1,359,409	-	-	-
	3,108,686	323,768	2,525,403	15,880	53,990	189,645
Parent						
2013						
Trade receivables	2,175,820	194,798	1,816,251	68,722	45,440	50,609
Other receivables	1,438,431	-	1,438,431	-	-	-
Amounts receivable from controlled entity	1,339,680	1,058,803	-	-	-	280,877
	4,953,930	**1,253,600**	**3,254,682**	**68,722**	**45,440**	**331,485**
2012						
Trade receivables	1,725,650	300,742	1,154,866	14,409	53,165	202,468
Other receivables	1,344,327	-	1,344,327	-	-	-
Amounts receivable from controlled entity	1,339,680	1,058,803	-	-	-	280,877
	4,409,657	1,359,545	2,499,193	14,409	53,165	483,345

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 6: Trade and other receivables (continued)

	PROVISION FOR IMPAIRMENT OF RECEIVABLES
Consolidated group	**$**
Carrying amount at 30 June 2011	339,605
Charge for the year	53,798
Amounts written off	(69,635)
Carrying amount at 30 June 2012	323,768
Charge for the year	-
Amounts written off	(126,762)
Carrying amount at 30 June 2013	**197,006**
Parent entity	
Carrying amount at 30 June 2011	304,231
Charge for the year	53,798
Amounts written off	(57,287)
Carrying amount at 30 June 2012	300,742
Charge for the year	-
Amounts written off	(105,944)
Carrying amount at 30 June 2013	**194,798**

Notes to the financial statements continued

For the year ended 30 June 2013

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $

NOTE 7: Financial assets and other investments

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $
Current					
Financial assets	7a	1,867,539	-	1,867,539	-
Non current					
Financial assets at fair value through profit or loss	7a	47,169,803	41,572,612	47,169,803	41,572,612
Other investments	7b	110	110	130	130
		47,169,913	**41,572,722**	**47,169,933**	**41,572,742**

a. Financial assets

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $
Current					
Term deposits – held to maturity	17a	1,867,539	-	1,867,539	-
Non-current					
Managed investments at fair value through profit or loss	17a	47,169,803	41,572,612	47,169,803	41,572,612
		47,169,803	**41,572,612**	**47,169,803**	**41,572,612**

b. Other investments

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $
Non-current					
Investments in subsidiaries		-	-	20	20
Investments in associates		110	110	110	110
		110	110	130	130

NOTE 8: Intangible assets

	Note	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $	PARENT 2013 $	PARENT 2012 $
Software – at cost		620,806	582,760	561,995	523,950
Project costs and system development – at cost		1,062,159	1,062,159	1,062,159	1,062,159
Accumulated amortisation		(1,471,523)	(1,350,654)	(1,414,382)	(1,294,442)
		211,442	**294,265**	**209,772**	**291,667**

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 8: Intangible assets (continued)

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year.

	COMPUTER SOFTWARE	SYSTEM DEVELOPMENT	TOTAL
	$	$	$
Consolidated group			
Carrying amount at 30 June 2011	150,484	399,526	550,010
Additions	50,056	30,860	80,916
Disposals	-	-	-
Amortisation expense	(56,865)	(279,796)	(336,661)
Carrying amount at 30 June 2012	143,675	150,590	294,265
Additions	143,288	-	143,288
Disposals	(21,872)	-	(21,872)
Amortisation expense	(74,175)	(130,064)	(204,239)
Carrying amount at 30 June 2013	**190,916**	**20,526**	**211,442**
Parent entity			
Carrying amount at 30 June 2011	150,484	399,526	550,010
Additions	46,616	30,860	77,476
Disposals	-	-	-
Amortisation expense	(56,023)	(279,796)	(335,819)
Carrying amount at 30 June 2012	141,077	150,590	291,667
Additions	143,288	-	143,288
Disposals	(21,872)	-	(21,872)
Amortisation expense	(72,530)	(130,781)	(203,311)
Carrying amount at 30 June 2013	**189,963**	**19,809**	**209,772**

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income.

Notes to the financial statements continued

For the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 $	2012 $	**2013 $**	2012 $
NOTE 9: Property, plant and equipment				
Land and buildings				
Freehold land at independent valuation (30 June 2013)	**9,100,000**	6,500,000	**9,100,000**	6,500,000
	9,100,000	**6,500,000**	**9,100,000**	**6,500,000**
Buildings at independent valuation (30 June 2013)	**15,419,515**	17,012,789	**15,400,000**	16,993,274
Accumulated depreciation	**(3,443)**	(856,108)	**-**	(853,153)
	15,416,072	**16,156,681**	**15,400,000**	**16,140,121**
Total land and buildings	**24,516,072**	22,656,681	**24,500,000**	22,640,121
Plant and equipment				
Plant and equipment at cost	**5,658,592**	6,820,159	**5,633,015**	6,794,582
Accumulated depreciation	**(4,678,121)**	(5,508,217)	**(4,655,095)**	(5,486,596)
Total plant and equipment	**980,471**	1,311,942	**977,920**	1,307,986
Motor vehicles				
Motor vehicles at cost	**-**	1,001,089	**-**	1,001,089
Accumulated depreciation	**-**	(608,333)	**-**	(608,333)
Total motor vehicles	**-**	392,756	**-**	392,756
TOTAL PROPERTY, PLANT AND EQUIPMENT	**25,496,543**	**24,361,379**	**25,477,920**	**24,340,863**

Asset revaluation

The freehold land and buildings were independently valued at 30 June 2013 by Charter Keck Cramer. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of $1.547 million being recognised in the revaluation surplus for the year ended 30 June 2013.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 9: Property, plant and equipment (continued)

	FREEHOLD LAND $	BUILDINGS $	PLANT AND EQUIPMENT $	MOTOR VEHICLES $	TOTAL $
Consolidated group					
Carrying amount at the end of year 30 June 2011	6,500,000	16,429,945	1,428,823	592,974	24,951,742
Additions	-	160,641	498,786	-	659,427
Disposals/write back of assets	-	-	-	-	-
Depreciation expense	-	(433,905)	(615,667)	(200,218)	(1,249,790)
Carrying amount at the end of year 30 June 2012	6,500,000	16,156,681	1,311,942	392,756	24,361,379
Additions	-	753,585	237,077	-	990,662
Revaluation	2,600,000	(1,053,050)	-	-	1,546,950
Disposals/Write back of assets	-	-	(1,262)	(382,445)	(383,707)
Depreciation expense	-	(441,144)	(567,286)	(10,311)	(1,018,741)
Carrying amount at the end of year 30 June 2013	**9,100,000**	**15,416,072**	**980,471**	**-**	**25,496,543**
Parent entity					
Carrying amount at the end of year 30 June 2011	6,500,000	16,412,898	1,428,823	592,974	24,934,695
Additions	-	160,641	493,584	-	654,225
Disposals/write back of assets	-	-	-	-	-
Depreciation expense	-	(433,418)	(614,421)	(200,218)	(1,248,057)
Carrying amount at the end of year 30 June 2012	6,500,000	16,140,121	1,307,986	392,756	24,340,863
Additions	-	753,585	237,078	-	990,663
Revaluation	2,600,000	(1,053,050)	-	-	1,546,950
Disposals/Write back of assets	-	-	(1,262)	(382,445)	(383,707)
Depreciation expense	-	(440,656)	(565,882)	(10,311)	(1,016,849)
Carrying amount at the end of year 30 June 2013	**9,100,000**	**15,400,000**	**977,920**	**-**	**25,477,920**

Notes to the financial statements continued

For the year ended 30 June 2013

	Note	CONSOLIDATED		PARENT	
		2013 $	2012 $	2013 $	2012 $
NOTE 10: Trade and other payables					
Current					
Unsecured Liabilities					
Trade Payables		336,862	24,952	336,697	24,952
Sundry payables and accrued expenses		1,531,608	1,637,627	1,508,489	1,592,401
Payables to employees		719,309	695,165	709,465	680,173
Payables to office bearers		26,250	13,919	26,250	13,919
Carnet deposits held in trust		922,523	1,162,556	922,522	1,162,556
Financial liabilities at amortised cost as trade and other payables	17a	**3,536,552**	**3,534,219**	**3,503,423**	**3,474,001**

Trade payables at parent level include amounts payable to the CCI – Victoria Legal Trust of $11,809 (2012: Nil) which includes $11,125 of legal fees.

Sundry payables and accrued expenses includes $21,133 of accrued legal fees relating to FY13 (2012: Nil).

NOTE 11: Deferred revenue

	2013 $	2012 $	2013 $	2012 $
Deferred membership revenue	2,641,887	2,813,427	2,641,887	2,813,427
Deferred training revenue	240,673	236,892	240,673	236,892
Deferred grant revenue	1,315,518	1,387,747	1,315,518	1,387,747
Other deferred revenue	457,584	492,578	457,584	492,578
	4,655,662	**4,930,644**	**4,655,662**	**4,930,644**

Notes to the financial statements continued

For the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 $	2012 $	**2013 $**	2012 $
NOTE 12: Provisions				
Current				
Annual leave – employees	**768,277**	737,878	**750,605**	727,399
Annual leave – office bearers	**27,999**	14,766	**27,999**	14,766
Long service leave – employees	**535,270**	372,716	**535,270**	372,716
	1,331,546	**1,125,360**	**1,313,874**	**1,114,881**
Non-current				
Long service leave – employees	**67,540**	150,133	**67,540**	150,133
	67,540	**150,133**	**67,540**	**150,133**

	ANNUAL LEAVE	LONG SERVICE LEAVE	TOTAL
	$	$	$
Consolidated group			
Carrying amount at 30 June 2012	752,644	522,849	1,275,493
Additional provisions	1,366,388	126,209	1,492,598
Amounts used	(1,322,757)	(46,248)	(1,369,005)
Carrying amount at 30 June 2013	**796,275**	**602,810**	**1,399,086**
Parent entity			
Carrying amount at 30 June 2012	742,165	522,849	1,265,014
Additional provisions	1,312,948	126,209	1,439,157
Amounts used	(1,276,509)	(46,248)	(1,322,757)
Carrying amount at 30 June 2013	**778,604**	**602,810**	**1,381,414**

NOTE 13: Reserves and retained profits

a) Nature and purpose of reserves – asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of property, plant and equipment.

b) Restriction of reserves and retained profits

The retained profits and reserves are not available for distribution to members. The retained profits are available for the operations of the group. In the event of the group winding up, the retained profits and reserves shall be given or transferred to some other institution or institutions in compliance with VECCI's rules (rule 48).

Notes to the financial statements continued

For the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 $	2012 $	2013 $	2012 $

NOTE 14: Capital and leasing commitments

a. Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

– not later than one year	1,148,830	1,159,181	1,148,830	1,159,181
– later than one year but not later than five years	274,569	1,192,006	274,569	1,192,006
	1,423,399	**2,351,187**	**1,423,399**	**2,351,187**

b. Operating lease receivables

Approximately 35 per cent of the property at 486 Albert Street is leased to tenants under one to five year operating leases with rentals payable monthly in advance. Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

– not later than one year	982,510	685,085	982,510	685,085
– later than one year but not later than five years	1,540,969	1,535,878	1,540,969	1,535,878
	2,523,479	**2,220,963**	**2,523,479**	**2,220,963**

NOTE 15: Related party transactions

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

During the financial year, VECCI made payments to Pitcher Partners of $170,486 (2012: $149,238) in respect of professional advisory and tax services and portfolio management services performed. Don Rankin was the Managing Partner at Pitcher Partners during the financial year. All services rendered were made on an arm's length commercial basis.

VECCI is the ultimate parent company of CCI Victoria Legal Trust, VECCI Business Brokers Pty Ltd and VECCI Business Brokers Trust. During the financial year, VECCI made nil payment to CCI Victoria Legal Trust (2012: $42,552); Nil payment to VECCI Business Brokers Pty Ltd (2012: nil) and nil payment to VECCI Business Brokers Trust (2012: Nil). As at 30 June 2013, VECCI has outstanding loan balances with CCI Victoria Legal Trust of $1,265,675 (2012: $1,265,675) and VECCI Business Brokers Pty Ltd of $74,004 (2012: $74,004). The group assesses whether there is objective evidence that the loan balances have been impaired at each reporting date, and as such, an impairment has been raised against the outstanding loan balance with CCI Victoria Legal Trust.

Notes to the financial statements continued

For the year ended 30 June 2013

	CONSOLIDATED		PARENT	
	2013 $	2012 $	**2013 $**	2012 $
NOTE 16: Cash flow information				
Profit/(loss) after income tax	**3,551,547**	1,226,854	**3,521,216**	1,312,718
Non–cash flows:				
– Depreciation and amortisation	**1,222,982**	1,586,451	**1,220,161**	1,583,874
– Write down of assets	**-**	-	**-**	-
– Change in Fair Value of investments	**(2,906,084)**	2,014,028	**(2,906,084)**	2,014,028
– Investment income reinvested	**(2,277,199)**	(1,060,591)	**(2,277,199)**	(1,060,591)
– Interest income reinvested	**(431,437)**	(157,488)	**(431,437)**	(157,488)
– Gains on disposal of property, plant and equipment	**(55,792)**		**(55,792)**	
Changes in assets and liabilities				
Decrease/(increase) in receivables and prepayments	**(211,017)**	663,150	**(178,684)**	617,818
(Decrease)/increase in payables and deferred income	**(722,890)**	(695,921)	**(717,095)**	(681,907)
(Decrease)/increase in provisions	**123,592**	34,275	**116,400**	47,045
Cash flows from operations	**(1,706,298)**	3,610,758	**(1,708,514)**	3,675,497

NOTE 17: Financial risk management

Financial risk management policies

The group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments in term-deposits, managed investments portfolios, accounts receivable and payable, loans to and from subsidiaries, and leases. The group does not speculate in the trading of financial instruments.

i. Investment risk management

The investment committee consisting of directors and executives of the group engaged independent external consultants Pitcher Partners and JANA as its investment managers during the course of the year to assist with, and provide professional advice, with respect to the group's investments. VECCI completed its switch of investment managers from JANA to Pitcher Partners in October 2012. The committee and investment managers meet on a regular basis to analyse financial risk exposure and to evaluate investment management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Investment committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the Board on a regular basis.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 17: Financial risk management (continued)

The current investment strategy is conservative focused on achieving medium to long term investment gains.

ii. Financial risk exposures and management

The main risks the group are exposed to through its financial instruments are market risk, interest rate risk, price risk and credit risk.

a. Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the weighted average interest rate for classes of financial assets and financial liabilities (calculated using the applicable interest rates and balances during the financial year) is set out below:

Consolidated

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		FLOATING INTEREST RATE		FIXED INTEREST RATE		NON-INTEREST BEARING		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	%	%	%	%	%	%	%	%
Financial assets										
Cash at bank	3.29	3.75	4,766,832	8,995,720	-		-	-	4,766,832	8,995,720
Financial assets - term deposits	4.22	-	-	-	1,867,539	-	-	-	1,867,539	-
Financial assets - unlisted securities		-	-	-	-		-	-	-	-
Financial assets - managed investments			3,122,535	5,185,212	15,793,824	11,445,837	28,253,444	24,941,563	47,169,803	41,572,612
Trade and other receivables			-	-	-		3,446,176	2,784,918	3,446,176	2,784,918
Total financial assets			7,889,367	14,180,932	17,661,363	11,445,837	31,699,620	27,726,481	57,250,350	53,353,250
Financial liabilities										
Trade and other payables			-	-	-	-	3,536,552	3,534,219	3,536,552	3,534,219
Total financial liabilities			-	-	-	-	3,536,552	3,534,219	3,536,552	3,534,219

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 17: Financial risk management (continued)

Parent

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		FLOATING INTEREST RATE		FIXED INTEREST RATE		NON-INTEREST BEARING		TOTAL	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	%	%	%	%	%	%	%	%
Financial assets										
Cash at bank	3.29	3.75	4,647,892	8,878,996	-		-	-	4,647,892	8,878,996
Financial assets - term deposits	4.22	-	-	-	1,867,539	-	-	-	1,867,539	-
Financial assets - unlisted securities		-	-	-	-		-	-	-	-
Financial assets - managed investments			3,122,535	5,185,212	15,793,824	11,445,837	28,253,444	24,941,563	47,169,803	41,572,612
Trade and other receivables			-	-	-		3,700,330	3,050,112	3,700,330	3,050,112
Total financial assets			7,770,427	14,064,208	17,661,363	11,445,837	31,953,774	27,991,675	57,385,564	53,501,720
Financial liabilities										
Trade and other payables			-	-	-	-	3,503,423	3,474,001	3,503,423	3,474,001
Total financial liabilities			-	-	-	-	3,503,423	3,474,001	3,503,423	3,474,001

b. Market Risk

The maximum exposure to market risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market price of the financial instruments, amounts to the value of the financial instrument as disclosed in the statement of financial position. Refer to the sensitivity analysis at note 17 (f).

c. Credit risk

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

Details with respect to credit risk of trade and other receivables are detailed in note 6 (b).

The exposure to credit risk is low due to all cash balances and deposits held at Australian banks with strong credit risk and deposit ratings.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 17: Financial risk management (continued)

d. Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group does not have a significant liquidity risk. The only financial liabilities are trade and other payables to the value of $3,536,551 (2012: $3,534,219) which are due for payment within 1 year. With cash equalling $4,766,832 (2012: $8,995,720), the group has sufficient funds available to meet its debts as and when they fall due.

e. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group. At 30 June 2013, 13% of its investment portfolio was held in overseas interests although it is not considered that this exposes the Group to any material foreign exchange risk.

f. Sensitivity analysis

The Group does not have any borrowings and therefore the main exposure would be in market risk due to price movements of investments. The following table summarises the sensitivity of the Group's and the Parent's non-interest bearing financial assets to the movement in the market.

Carrying value of non-current non-interest bearing financial assets at fair value at 30 June 2013 is $28,253,444 (2012: $24,941,563).

Year ended 30 June 2013

	Profit	Equity
Fair value on 3% movement	+/- 847,603	+/- 847,603
Fair value on 5% movement	+/- 1,412,672	+/- 1,412,672
Fair value on 10% movement	+/- 2,825,344	+/- 2,825,344

Year ended 30 June 2012

	Profit	Equity
Fair value on 3% movement	+/- 748,247	+/- 748,247
Fair value on 5% movement	+/- 1,247,078	+/- 1,247,078
Fair value on 10% movement	+/- 2,494,156	+/- 2,494,156

Price risk relates to the risk that the fair value of a financial instrument and future cash flows will fluctuate because of changes in market prices of securities held. Such risk is managed through diversification of investments across industries and geographic locations. The group's managed investments are held in the following financial assets at the end of the reporting period.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 17: Financial risk management (continued)

f. Sensitivity analysis (continued)

	2013	2012
	%	%
Cash	7	12
Fixed interest	33	28
Australian shares	43	46
Overseas shares	12	11
Australian property	4	3
Overseas property	1	–
	100	**100**

The following table illustrates sensitivities to the group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
Year ended 30 June 2013	**$**	**$**
2% in interest rate	+/- 157,787	+/- 157,787
10 % in listed investments	+/-2,825,344	+/-2,825,344
Year ended 30 June 2012		
2% in interest rate	+/- 283,619	+/- 283,619
10 % in listed investments	2,494,156	2,494,156

g. Net fair values

Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 17: Financial risk management (continued)

g. Net fair values (continued)

Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

CONSOLIDATED AND PARENT	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
2013				
Financial assets				
Managed investments at fair value through profit or loss	47,169,803	–	–	47,169,803

CONSOLIDATED AND PARENT	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $	TOTAL $
2012				
Financial assets				
Managed investments at fair value through profit or loss	41,572,612	–	–	41,572,612

Financial instruments not measured at fair value

The carrying value of cash and cash equivalents, held to maturity financial assets, trade and other receivables and payables approximate their fair value due to their short-term nature.

NOTE 18: Events after balance date

The financial statements were authorised for issue on 16 October 2013 by the Board of Directors.

There are no other material known events subsequent to the reporting date that are required to be disclosed.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 19: Association details

The registered office and principal place of business of VECCI is:

Victorian Employers' Chamber of Commerce and Industry (VECCI)
486 Albert Street
East Melbourne VIC 3002

The principal activities of VECCI during the financial year were to assist the interests of Victorian business members and contributors via representation and advocacy to Government and policy makers, along with providing membership services primarily involving industrial relations, information, advice, networking and value-added professional services.

NOTE 20: Additional disclosures - S253 of Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 ("RO Act") Reporting Guidelines, the following disclosures are made:

- VECCI's ability to continue as a going concern is not reliant on the agreed financial support of another entity. VECCI has agreed to provide financial assistance to its subsidiaries the CCI – Victoria Legal Trust, VECCI Business Brokers Pty Ltd and VECCI Business Brokers Trust in order for each subsidiary to be able to pay its debts as and when they become payable. VECCI also confirms that it will not call on or require repayment of any loans (whether in whole or in part) at any time within 12 months after the date of the signing of the audit report for each subsidiary named above entity for the year ended 30 June 2013, to the extent that the ability of the subsidiary entity to continue as a going concern would be adversely affected.
- VECCI has not acquired any assets or liabilities during the financial year as a result of an amalgamation under Part 2 of Chapter 3 of the RO Act in which it was the amalgamated organisation; a restructure; a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure; or a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).
- VECCI was not involved in a business combination during the financial year.
- VECCI did not incur the following during the financial year:
  a) Expenses relating to payroll deductions of membership subscriptions;
  b) Capitation fees;
  c) Compulsory levies;
  d) Grants;
  e) Fees and/or allowances paid to persons in respect of their attendances as representatives of VECCI at conferences or other meetings;
  f) Penalties imposed under the RO Act with respect to VECCI's conduct.

Notes to the financial statements continued

For the year ended 30 June 2013

NOTE 20: Additional disclosures - S253 of Fair Work (Registered Organisations) Act 2009 (continued)

- Operating expenses include $18,927 incurred in connection with holding meetings of councils, committees, panels or other bodies for the holding of which VECCI was wholly or partly responsible.
- At the balance date, there were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions.
- No funds or accounts were operated in respect of compulsory levies or voluntary contributions.
- No funds or accounts were operated that were required by the VECCI rules.
- There were no funds, accounts or controlled entities kept for a specific purpose.
- There was no recovery of wages activity during the financial year.

Committee of management statement

On 16 October 2013, the Members of the Committee of Management ("Board of Directors") of VECCI passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 30 June 2013.

The Board of Directors declares in relation to the general purpose financial report that in its opinion:

(a) The financial statements and notes comply with Australian Accounting Standards;

(b) The financial statements and notes comply with the reporting guidelines of the General Manager;

(c) The financial statements and notes give a true and fair view of the financial position as at 30 June 2013 and of the performance and cash flows for the year ended on that date for the reporting unit;

(d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;

(e) During the financial year to which the general purpose financial report relates and since the end of that year:

   i. meetings of the board of directors were held in accordance with the rules of the organisation including the rules of a branch concerned;

   ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned;

   iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ("RO Act");

   iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;and

   v. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager;

For Board of Directors:

NAME: Mark Stone
TITLE OF OFFICE HELD: Secretary and Chief Executive
DATE: 16 October 2013

NAME: Peter McMullin
TITLE OF OFFICE HELD: President
DATE: 16 October 2013

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VICTORIAN EMPLOYERS' CHAMBER OF COMMERCE & INDUSTRY

Report on the Financial Statements

We have audited the accompanying financial report of the Victorian Employers' Chamber of Commerce and Industry ("VECCI") and consolidated entities ('the group"), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies, other explanatory information and the Committee of Management statement.

Committee of Management's Responsibility for the Financial Report

The Committee of Management are responsible for the preparation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to otain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial report.

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

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Fair Work (Registered Organisations) Act 2009.

Moore Stephens

MOORE STEPHENS
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 17 October 2013

vecci.org.au