

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Financial Statements

For the Year Ended 31 December 2021

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Contents

For the Year Ended 31 December 2021

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	7
Statement of Surplus or Deficit and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	27
Independent Audit Report	28
Disclaimer	31
Detailed Statement of Comprehensive Income	32

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Directors' Report

31 December 2021

The directors present their report on German - Australian Chamber of Industry & Commerce Limited for the financial year ended 31 December 2021.

Information on directors

The names of the office holders during the financial year and up to the date of this report are:

Dr. J. Goennemann	Chairman
Prof. Bronwyn Fox	President (appointed October 2021)

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

Dr. W. Babeck	Director since May 2016
Qualifications	Degree in Law (admitted as solicitor in Germany, England and Wales)
Experience	Partner Buse Heberer Fromm

Mr. R. Drohn	Director since May 2017
Qualifications	Master's Degree, International Tax
Experience	Executive Director, Tax Centre for Excellence, Ernst & Young

Dr. J. Goennemann	Director since May 2014
Qualifications	PhD, Master of Economics, Bachelor of Business
Experience	Managing Director, Advanced Manufacturing Growth Centre Ltd

Ms. S. Whetton	Director since May 2015
Qualifications	Bachelor of Economics / Law
Experience	Partner at Colin, Biggers and Paisley

Ms. T. Dietterich	Director since January 2018
Qualifications	Masters (Applied Linguistics and Cultural Studies / International Law), Bachelor (Linguistics and Cultural Studies, Translation and Interpreting)
Experience	CEO of 2M Language Services

Ms. R. Lee	Director since May 2018
Qualifications	Bachelor of Science
Experience	Managing Director of Merck Pty Ltd

Mr. P. Sansom	Director since May 2018
Experience	Managing Director of Volkswagen Group Australia (previously Audi Australia)

Ms G. Overall	Director since November 2020
Qualifications	Bachelor of Arts, Bachelor of Laws (LL.B.)
Experience	Chairperson of Victorian Opera

Mr. C. Freiherr von Spesshardt	Director since May 2020
Qualifications	Master of Science
Experience	Executive Director of German-Australian Chamber of Industry and Commerce

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Directors' Report

31 December 2021

Information on directors (continued)

Ms. K. Zwissler	Director since November 2020
Qualifications	Masters (English & Postcolonial Literature, International History)
Experience	Head of Sherpa Office ANZ/APJ, Business Development and Governmental Affairs, SAP Australia & New Zealand Pty. Ltd

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

Principal activities

The German-Australian Chamber of Industry & Commerce Limited (AHK Australien) is a membership organisation and provides an extensive networking platform. The Chamber offers a variety of networking and content-driven functions to service the different interests and needs of our members. The events include high profile luncheons and receptions, company visits and delegations, business seminars and workshops.

The Chamber also provides a range of consulting services from tailor-made address lists to detailed market studies and business partner searches, offering advice on setting up business, customs regulations and finding suitable employees for starting a new office. Further, the Chamber hosts and welcomes trade missions and business delegations each year and organises industry conferences to enhance the dialogue and business opportunities of both nations.

The Chamber offers platforms for our members to engage with each other via different online communication media such as the monthly newsletter, the AHK Insider, which features updates on events, member and industry news. The quarterly magazine, Accelerate, provides topical articles on the latest developments in the German and Australian economy as well as highlights major Chamber events and activities. The G'Day Germany newsletter (in German) updates our German members and stakeholders about business developments and opportunities in Australia.

Short and long term objectives of the company

AHK Australien aims to be a trusted partner, enabler and accelerator of sustainable business relations between Australia and Germany.

Strategy for achieving the objectives

AHK Australien achieves these objectives by creating value for its members, customers and government stakeholders by increasing bilateral business opportunities and developing growth initiatives in the strategic overlap of both countries.

The Chamber is committed to bringing German & Australian businesses closer together to shape a better future and is caring about its people and its members/customers. The Chamber strives to enable, build trust, and deliver expertise and achieves this by being professional, accountable, and reliable.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Directors' Report

31 December 2021

How principal activities assisted in achieving the objectives

All events/projects and consulting services have direct relevance for developing and strengthening German-Australian trade, investment and cooperation between governments.

Performance measures

The following measures are used within the Company to monitor performance:

- Budgets and forecasts are developed by management in co-operation with the departments. In order to achieve overall financial goals, budgets are prepared for each project, event or publication and aggregated to departmental budget plans. Budgeted and actual figures are evaluated on a quarterly basis and presented to the Finance Committee.
- Quarterly performance and the overall annual objectives for the Chamber and their progress are presented to the board. This is monitored in more detail in each regular staff meeting throughout the year. If required further courses of action are implemented to achieve objectives.

Members' guarantee

The German - Australian Chamber of Industry & Commerce 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 member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 for members that are corporations and \$ 20 for all other members, subject to the provisions of the company's constitution.

At 31 December 2021 the collective liability of members was \$ 7,000 (2020: \$ 7,480).

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Directors' Report

31 December 2021

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr. W. Babeck	4	4
Mr. R. Drohn	4	4
Dr. J. Goennemann	4	4
Ms. S. Whetton	4	4
Ms. T. Dietterich	4	4
Ms. R. Lee	4	4
Mr. P. Sansom	4	4
Ms G. Overell	4	4
Mr. C. Freiherr von Spesshardt	4	4
Ms. K. Zwissler	4	4

Operating results

The deficit of the Company amounted to \$ (4,520) (2020: \$ (19,801)).

Review of operations

In 2021, AHK Australien has renewed its strategic focus on how to deliver the largest growth for businesses and members in both countries. As a result, a Customer Success Team was formed which combines membership and consulting services. The Customer Success Team delivers the values of the new Corporate Partner membership packages and acts as a gateway to the Chamber for all industries.

The new membership packages introduced in 2021 are:

1. Corporate Partner
2. Cluster Partner
3. Platinum Partner

All members continue to receive support from the Chamber's Governmental Affairs, Events, and Communications specialists to accelerate sustainable business relations between Australia & Germany.

In addition, AHK Australien identified four key bilateral industry clusters reflecting market opportunities and political support. The clusters, led by dedicated Cluster Managers, deliver policy and market intelligence, and jointly promote the competencies of participating cluster members.

Energy Cluster

Decarbonisation being the hot topic of the day, the energy industry is facing major challenges and opportunities. The Energy Cluster supports its members by bringing together companies from innovative start-ups to established organisations through round tables, webinars, and live events. Industry and policy engagement are key to success and members benefit from exclusive access to other members and industry stakeholders. Thanks to excellent government contacts in both Australia and Germany, the Energy Cluster provides first-hand information about funding and policy developments. Members of this cluster present their companies through a variety of exposure opportunities and benefit from key account management. A designated member committee helps to steer the Energy Cluster as well as to increase its influence and network.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Directors' Report

31 December 2021

Review of operations (continued)

Health Cluster

The Health Cluster integrates a wide spectrum of market segments, ranging from medical technology devices, pharmaceuticals, biotechnology and life sciences to healthcare institutions/facilities. Bringing together stakeholders from industry and policy, regulatory authorities and market consultants, Health Cluster members are able to influence the cluster development with exclusive participation in the dedicated Health Committee, offering an opportunity to shape its advocacy roadmap and gain access to valuable insights. Members are invited to hosting, sponsoring and speaking opportunities at industry-focused events aimed at both the German and the Australian market, as well as benefiting from complimentary consulting services and heightened exposure and visibility.

Mining Cluster

Australia is one of the world's leading mining countries, exporting a wide range of "traditional" resources like iron ore, gold and aluminium, but also "future" minerals like lithium and rare earth metals with high importance for German industry. Germany remains a world-class exporter of mining equipment, technology and services (METS) with a growing number of companies exporting their innovative products to Australia. Therefore, the Chamber's Mining & Resources Cluster has two main mandates - supporting German METS companies to build and grow their presence in the Australian resources sector and connecting Australian mining companies with the German manufacturing industry. Cluster members influence the development of the Cluster through its dedicated Mining & Resources Advisory Committee and benefit from multiple activities which are deepening the bilateral mining and resources relationship.

Food & Beverage

In Australia and Germany, across their states and territories, both governments have made the food and beverage industry a priority. Not only to secure the future supply of quality product for their respective populations, but also as an important pillar of international trade activities. The Food & Beverage Cluster creates value for the German-Australian food and beverage business community, by providing a forum to exchange information on current developments, being a catalyst for connections and by acting as a collective voice for the industry's interests. The focus of this Cluster also includes the area of Advanced Manufacturing / Industry 4.0 as this is a key component of success in this industry. Members of the Food & Beverage Cluster contribute to the direction of the cluster by participating in the exclusive Food & Beverage Committee and benefit from industry specific consulting services, as well as various opportunities to increase exposure and visibility at cluster events.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Apart from the matters discussed elsewhere in this report, since the end of the financial year there have been no developments in the operations of the company, which are not finalised at the date of this report, which may affect the results of the company in financial years subsequent to 31 December 2021.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Directors' Report

31 December 2021

Proceedings on behalf of company (continued)

The Company was not a party to any such proceedings during the year.

Indemnification and insurance of officers and auditors

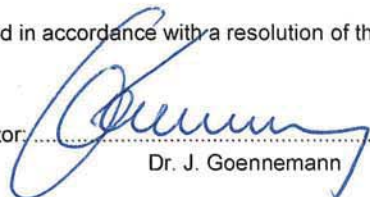
During or since the end of the financial year, the company has paid premiums to insure all of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2021 has been received and can be found on page 7 of the financial report.

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

Director:



Dr. J. Goennemann

Dated 04 April 2022

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of German - Australian Chamber of Industry & Commerce Limited

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2021, 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.



Felsers



Steven Zabeti
Partner

4 April 2022

Sydney

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Revenue	4	1,433,547	1,390,284
Finance income	5	1,364	4,630
Other income	4	947,514	1,238,256
Employee benefits expense	6	(1,648,416)	(1,627,996)
Depreciation and amortisation expense	6	(238,171)	(269,197)
Trade fairs and functions expense		(58,174)	(55,402)
Service expenses		(27,075)	(150,029)
Other expenses		(359,970)	(470,181)
Finance expenses	5	(55,139)	(80,166)
Deficit for the year		(4,520)	(19,801)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(4,520)	(19,801)

The accompanying notes form part of these financial statements.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Statement of Financial Position

31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,186,645	756,560
Trade and other receivables	8	137,841	34,312
Other financial assets		56,915	56,199
Other assets	11	81,868	131,380
TOTAL CURRENT ASSETS		<u>1,463,269</u>	<u>978,451</u>
NON-CURRENT ASSETS			
Other financial assets		47,872	47,872
Property, plant and equipment	10	54,404	80,588
Right-of-use assets	12	450,170	711,333
TOTAL NON-CURRENT ASSETS		<u>552,446</u>	<u>839,793</u>
TOTAL ASSETS		<u>2,015,715</u>	<u>1,818,244</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	440,576	285,151
Lease liabilities	12	219,611	230,451
Short-term provisions	14	108,907	82,287
Employee benefits	15	121,287	149,569
Contract liabilities	9	391,535	58,978
TOTAL CURRENT LIABILITIES		<u>1,281,916</u>	<u>806,436</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	291,903	539,819
Employee benefits	16	14,601	40,174
TOTAL NON-CURRENT LIABILITIES		<u>306,504</u>	<u>579,993</u>
TOTAL LIABILITIES		<u>1,588,420</u>	<u>1,386,429</u>
NET ASSETS		<u>427,295</u>	<u>431,815</u>
EQUITY			
Accumulated surplus		<u>427,295</u>	<u>431,815</u>
TOTAL EQUITY		<u>427,295</u>	<u>431,815</u>

The accompanying notes form part of these financial statements.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Statement of Changes in Equity

For the Year Ended 31 December 2021

2021

	Accumulated Surplus	Total
	\$	\$
Balance as at 1 January 2021	431,815	431,815
Deficit for the year	(4,520)	(4,520)
Balance at 31 December 2021	427,295	427,295

2020

	Accumulated Surplus	Total
	\$	\$
Balance as at 1 January 2020	451,616	451,616
Deficit for the year	(19,801)	(19,801)
Balance at 31 December 2020	431,815	431,815

The accompanying notes form part of these financial statements.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Statement of Cash Flows For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants	2,394,467	2,860,759
Payments to suppliers and employees	(1,723,319)	(2,441,926)
Interest received	1,364	4,041
Interest paid	(32,847)	(48,778)
Net cash provided by operating activities	<u>639,665</u>	<u>374,096</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(7,380)	(61,999)
Net cash used in investing activities	<u>(7,380)</u>	<u>(61,999)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of finance lease liabilities	(202,200)	(206,586)
Net cash used in financing activities	<u>(202,200)</u>	<u>(206,586)</u>
Net increase in cash and cash equivalents held	430,085	105,511
Cash and cash equivalents at beginning of year	756,560	651,049
Cash and cash equivalents at end of financial year	7 <u><u>1,186,645</u></u>	<u><u>756,560</u></u>

The accompanying notes form part of these financial statements.

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Notes to the Financial Statements

For the Year Ended 31 December 2021

The financial report covers German - Australian Chamber of Industry & Commerce Limited as an individual entity. German - Australian Chamber of Industry & Commerce Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of German - Australian Chamber of Industry & Commerce Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 04 April 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Coronavirus (COVID-19) Impact

Within Australia and globally, unprecedented measures have been introduced to control the spread of the COVID-19 outbreak, including travel and trade restrictions, restrictions on public gatherings and temporary business closures. These significant measures have had a sudden and substantial negative impact on global economic activity, with certain industry sectors experiencing unforeseen financial difficulties. Consequently, the functioning of global capital markets has been impaired by increased volatility and negative investor sentiment.

The expected duration and magnitude of the COVID-19 global pandemic and its potential implications on the global economy and financial markets continues to remain unclear. Should these circumstances become severe or prolonged, it is expected to have a material adverse impact on the global and Australian economies, which in turn may have a material adverse impact on the Company's financial performance and position.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Revenue from contracts with customers (continued)

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.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Provision of Professional Services

The Company earns revenue from provision of professional services. Revenue is recognised over time in the accounting period when services are rendered.

Fee arrangements include fixed fee arrangements, unconditional fee for service arrangements ("time and materials") and variable fee arrangements.

For fixed fee arrangements, revenue is recognised based on the stage of completion with reference to the actual services provided as a proportion of the total services expected to be provided under the contract. The stage of completion is tracked on a contract by contract basis using a milestone-based approach.

Estimates of revenues (including interim billing), costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In fee for service contracts, revenue is recognised up to the amount of fees that the Company is entitled to invoice for services performed to date based on contracted rates.

The Company estimates fees for variable fee arrangements using a most likely amount approach on a contract by contract basis. Management makes a detailed assessment of the amount of revenue expected to be received and variable consideration is included in revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal.

The Company has determined that no significant financing component exists in respect of the professional services revenue streams since the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Specific revenue streams (continued)

A receivable in relation to these services is recognised when a bill has been invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Other income

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

(c) 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).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

Depreciation

Property, 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
Furniture, Fixtures and Fittings	10% - 33.33%
Office Equipment	10% - 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) 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).

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 into the following categories, those measured 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 are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents 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:

- financial assets measured at amortised cost

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:

- 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Where 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.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless of indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(h) 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:

- 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies (continued)

(i) 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. Employee benefits that are expected to be wholly settled within one year have been 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.

(j) Provisions

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

(k) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Critical Accounting Estimates and Judgments (continued)

Key estimates - provisions

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated, or technically obsolete and non-strategic assets that have been abandoned will be written off or written down.

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Revenue from contracts with customers		
- member subscriptions	526,662	524,548
- publication revenue	9,554	23,647
- service fees	708,069	757,297
- functions	88,594	48,423
- other revenue	100,668	36,369
Total Revenue	1,433,547	1,390,284

	2021	2020
	\$	\$
Other Income		
- other income	-	311,385
- grants	947,514	926,771
- net gain on disposal of property, plant and equipment	-	100
Total Other Income	947,514	1,238,256

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Notes to the Financial Statements For the Year Ended 31 December 2021

5 Finance Income and Expenses

Finance income

	2021	2020
	\$	\$
Interest income		
- Assets measured at amortised cost	1,364	4,041
Gain on exchange differences	-	589
Total finance income	1,364	4,630

Finance expenses

	2021	2020
	\$	\$
Interest expense on lease liabilities	32,847	48,778
Loss on exchange differences	22,292	31,388
Total finance expenses	55,139	80,166

6 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
Other expenses:		
Employee benefits expense	1,648,416	1,627,996
Depreciation expense	238,171	269,197
Superannuation contributions	141,687	133,341
Net loss on disposal of property, plant and equipment	-	172

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	1,182,874	754,317
Other cash and cash equivalents	3,771	2,243
Total cash and cash equivalents	1,186,645	756,560

Notes to the Financial Statements
For the Year Ended 31 December 2021

8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	137,841	17,959
GST receivable	-	16,353
Total current trade and other receivables	137,841	34,312

9 Contract Balances

Contract assets and liabilities

The Company has recognised the following contract liabilities from contracts with customers:

	2021	2020
	\$	\$
CURRENT		
Deferred membership	205,945	53,375
Deferred income events	106,840	-
Deferred income publications	250	5,603
Deferred income projects	78,500	-
Total current contract liabilities	391,535	58,978

10 Property, plant and equipment

	2021	2020
	\$	\$
Plant and equipment		
At cost	150,945	144,098
Accumulated depreciation	(101,276)	(71,109)
Total plant and equipment	49,669	72,989
Furniture, fixtures and fittings		
At cost	35,224	34,690
Accumulated depreciation	(30,489)	(27,091)
Total furniture, fixtures and fittings	4,735	7,599
Total plant and equipment	54,404	80,588
Total property, plant and equipment	54,404	80,588

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Notes to the Financial Statements For the Year Ended 31 December 2021

11 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	71,888	121,400
Other asset	9,980	9,980
	<u>81,868</u>	<u>131,380</u>

12 Leases

Company as a lessee

The Company has leases over a range of assets including buildings and IT equipment.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

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

Terms and conditions of leases

Buildings

The Company leases buildings for their corporate offices, the leases are generally between 3 - 5 years and some of the leases include a renewal option.

The corporate office leases contain an annual pricing mechanism based on a fixed percentage increase of 4% at each anniversary of the lease inception.

IT Equipment

The Company leases IT equipment with lease terms of 5 years, the lease payments are fixed during the lease term. The IT equipment lease contains an annual pricing mechanism based on a fixed rate of 5% at each anniversary of the lease inception.

Leases for IT equipment are generally considered to be for low value assets, except for significant items such as photocopiers.

Notes to the Financial Statements
For the Year Ended 31 December 2021

12 Leases (continued)

Right-of-use assets

	Buildings & IT Equipment	Total
	\$	\$
Year ended 31 December 2021		
Balance at beginning of year	711,333	711,333
Reductions in right-of-use assets due to changes in lease liability	(56,557)	(56,557)
Amortisation of right-of-use assets	(204,606)	(204,606)
Balance at end of year	450,170	450,170

	Buildings & IT Equipment	Total
	\$	\$
Year ended 31 December 2020		
Balance at beginning of year	907,110	907,110
Additions to right-of-use assets	47,004	47,004
Amortisation of right-of-use assets	(242,781)	(242,781)
Balance at end of year	711,333	711,333

Statement of Surplus or Deficit and Other Comprehensive Income

The amounts recognised in the statement of surplus or deficit and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	(32,847)	(48,778)
Depreciation of right-of-use assets	(204,606)	(242,781)
	(237,453)	(291,559)

Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	(235,047)	(255,364)

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Notes to the Financial Statements

For the Year Ended 31 December 2021

13 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	18,308	11,509
GST payable	3,788	-
Accrued expense	285,599	95,493
Other payables	132,881	178,149
	<u>440,576</u>	<u>285,151</u>

14 Provisions

	2021	2020
	\$	\$
CURRENT		
Provisions	108,907	82,287

15 Employee Benefits

	2021	2020
	\$	\$
Current liabilities		
Long service leave	44,453	78,448
Annual leave	76,834	71,121
	<u>121,287</u>	<u>149,569</u>
	2021	2020
	\$	\$
Non-current liabilities		
Long service leave	14,601	40,174

16 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstandings and obligations of the Company. At 31 December 2021 the number of members was 350 (2020: 374).

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 627,410 (2020: \$ 550,075).

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

Notes to the Financial Statements

For the Year Ended 31 December 2021

18 Contingencies

German - Australian Chamber of Industry & Commerce Limited had the following contingent liabilities at the end of the reporting period:

Bank guarantees relate to bonds for rental properties. Estimates of the potential financial effect of contingent liabilities that may become payable are \$95,744 (2020: \$95,744).

19 Related Parties

The Company's main related parties are as follows:

The expense for German Trade and Invest (GTAI) are included in the rental costs and employee benefit expenses. Corresponding income received from the GTAI was \$149,885 (31 December 2020: \$90,001).

All companies listed under "Information on Directors" on page 1 and 2 are director related entities. Each of these companies is a fully paid up member at 31 December 2021.

Key management personnel - refer to Note 17.

20 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

21 Statutory Information

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

German - Australian Chamber of Industry & Commerce Limited
Level 6, 8 Spring Street
Sydney NSW 2000

German - Australian Chamber of Industry & Commerce Limited

ABN 75 001 428 968

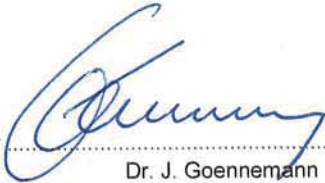
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dr. J. Goennemann

Dated 4 April 2022

Independent Audit Report to the members of German - Australian Chamber of Industry & Commerce Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of German - Australian Chamber of Industry & Commerce Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of surplus or deficit and other 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 is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 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 *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Audit Report to the members of German - Australian Chamber of Industry & Commerce Limited

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

As part of an audit in accordance with 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 the directors.
- Conclude on the appropriateness of director'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 report or, 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.

Independent Audit Report to the members of German - Australian Chamber of Industry & Commerce Limited

We communicate with the directors 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.

We also provide the directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Felsers



Steven Zabetti
Partner

Sydney
4 April 2022

Disclaimer

The additional financial data as presented in the detailed statement of comprehensive income is in accordance with the books and records of the German-Australian Chamber of Industry & Commerce Limited that have been subjected to the auditing procedures applied in the audit for the year ended 31 December 2021. Our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such data and no warranty is given on its accuracy or reliability.

Neither Felsers, nor any member or employee of Felsers undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions however caused.



Felsers



Steven Zabeti
Partner

Sydney
04 April 2022

German - Australian Chamber of Industry & Commerce Limited
DETAILED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
INCOME		
Member subscriptions	526,662	524,548
Service fees	708,069	757,297
Functions	88,594	48,423
Publications revenue	9,554	23,647
Interest received	1,364	4,041
Other revenue	100,668	347,754
Exchange rate gains	-	589
Profit on sale of property, plant and equipment	-	100
	<u>1,434,911</u>	<u>1,706,399</u>
GTAI	149,855	90,001
Grants from DIHK	797,659	836,770
Total comprehensive income for the year	<u>2,382,425</u>	<u>2,633,170</u>
EXPENSES		
Salaries wages	1,676,506	1,627,996
Auditors remuneration	10,504	10,604
Rental, cleaning and other rental costs	36,269	9,088
Contractors	35,271	21,776
Trade fairs and functions expense	58,174	55,402
Professional fees	46,983	120,904
Travel expenses	42,543	66,548
Service expenses	29,671	150,029
Depreciation expenses	238,171	269,197
Printing and stationary	19,812	21,130
Publications expenses	4,130	7,958
Telephone and internet costs	9,409	9,795
Computer expenses	64,555	101,421
Representation entertainment	6,181	4,362
Sundries	37,473	55,674
Postage and freights expenses	1,408	1,280
Bank charges	7,646	8,130
Administration expenses	7,100	31,339
Loss on sale of property, plant and equipment	-	172
Exchange rate losses	22,292	31,388
Interest expenses	32,847	48,778
	<u>2,386,945</u>	<u>2,652,971</u>
Total expenses	<u>2,386,945</u>	<u>2,652,971</u>
Deficit Funds	<u>(4,520)</u>	<u>(19,801)</u>