

**AUSTRALIA INDIA BUSINESS COUNCIL LTD
(A COMPANY LIMITED BY GUARANTEE)
ACN 154 498 218**

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

**AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218**

ANNUAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2018**

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This financial report covers Australia India Business Council Ltd as an individual entity.

Australia India Business Council Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office:

McCullough Robertson Lawyers
Level 32, 19-29 Martin Place
Sydney NSW 2000

A description of the company's principal activities is included in the directors' report.

The financial statements were authorised by the board of directors on 8 May 2019. The directors have the power to amend and reissue the financial statements.

AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218

DIRECTORS' REPORT

The directors present their report on Australia India Business Council Ltd ("the company") for the financial year ended 31 December 2018.

DIRECTORS

The following persons were directors and officers of the company at any time during, or since the end of, the year. Unless otherwise stated, the Director was in office for the whole of the financial year and up to the date of this report:

| Name | Meetings of Board of Directors eligible to attend during financial year | Number of meetings of Board of Directors attended |
|--|--|--|
| Jim Varghese | 7 | 7 |
| Sanushka Seomangal (appointed 6 September 2018) | 2 | 2 |
| Con Livissianis | 7 | 6 |
| Sheba Nandkeolyar (resigned 6 September 2018) | 5 | 5 |
| Barbara Ward (appointed 1 March 2018) | 5 | 5 |
| Kylie Bell (resigned 28 February 2018) | 2 | - |
| Rashi Kapoor (resigned 21 August 2018) | 5 | 3 |
| Nik Senapati | 7 | 5 |
| Suhit Anantula (appointed 7 December 2018) | 1 | - |
| Dr Adrian Vicary (resigned 7 December 2018) | 6 | 6 |
| Sanjay Bhosale (resigned 21 November 2018, re-appointed 5 April 2019) | 6 | 5 |
| Michael Carter | 7 | 4 |
| Marcus Best (appointed 21 August 2018, resigned 8 September 2018) | - | - |
| Christopher Mooney (appointed 21 September 2018, resigned 14 March 2019) | 2 | 2 |

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Jim Varghese AM – Chairman (Independent Non-Executive Director)

He is the Chair and Director of the Springfield City Group and was the Chief Executive from 2008 -2012.

Prior to 2008 Jim completed an iconic 30-year career in the public sector that included experience as a Chief Executive in leading government agencies covering Transport, Main Roads, Education, Training, Employment and Primary Industries in both the Victorian and Queensland public sector. He has an outstanding track record as a Chief Executive capable of running multifaceted businesses with a determined focus and proven ability to deliver excellent and innovative results against a challenging and continuously changing environment.

Jim has been granted the award of Fellow of these professional organisations: Certified Practising Accountant (CPA), Australian Institute of Management, Royal Institute of Public Administration and Australian Marketing Institute. He is a member of the Australian Institute of Company Directors.

Jim Varghese is a Director of MindHive Pty Ltd, Deputy Chair and Director of the Puuya Foundation (serving the indigenous community of Lockhart River in North Queensland) and is a director of the Qld Mental Health Foundation. Jim is Co-Patron of the Federation of Indian Communities, Chairman, Mahatma Gandhi Memorials Committee (Qld) and Chairman, Gandhi Salt March Ltd.

Jim is an accomplished author and contributor of articles on crisis management, change and organisational transformation. Jim served for over three years as an Adjunct Professor at the University of Queensland. He has also served on the Council of Queensland University of Technology, the Senate of University of Queensland and is currently serving on the Council of the University of Southern Queensland.

He is also a former Chairman of Aviation Australia Ltd.

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DIRECTORS' REPORT (continued)

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES (continued)

Jim Varghese AM – Chairman (Independent Non-Executive Director) (continued)

Jim Varghese was commissioned by the Queensland government to chair an independent review of the personalised transport industry in Queensland in 2017.

Jim is currently undertaking the Red Meat Advisory Committee commission to independently review the 1998 MoU with the red meat industry and recommend an architecture that brings it into the 21st Century.

Jim has a Bachelor of Arts (with honours) and Bachelor of Divinity from the University of Queensland. He holds a Master of Business Administration and a Diploma in Education from the University of Melbourne.

Jim Varghese was awarded the Centenary Medal and the Order of Australia for services to the public sector and community. In 2014 he was awarded Honorary Research Fellow of the University of the Sunshine Coast.

Sanushka Seomangal – Vice Chairman (Independent Non-Executive Director) (Appointed 6 September 2018)

Sanushka Seomangal is a Special Counsel in Thomson Geer's Sydney office where she specialises in public and private, equity and debt fundraising, initial public offerings (IPOs), and mergers and acquisitions involving both private and listed companies. Thomson Geer is among the 10 largest law firms in Australia, with around 500 people operating out of offices in Sydney, Melbourne, Brisbane and Adelaide.

Sanushka's practice includes cross-border transactions with an Asia-focus and she has expertise in capital markets and M&A transactions involving clients in the PRC, Singapore, Malaysia, Hong Kong, Indonesia and India, as well as clients in the USA and the UK.

Amongst her many professional achievements, Sanushka was recently named one of the Australian Financial Review's 100 Women of Influence 2018.

Sanushka has a particular interest in India and is a member of the board of the Australia India Council (AIC), the National Vice Chair of the Australia India Business Council (AIBC), a co-founder and director of the School of Policy and Governance (SPG) and a co-founder of the Australia India Youth Dialogue (AIYD).

Sanushka is a mentor in Macquarie University's Lucy Mentoring Program and a member of amongst other organisations, UN Women Australia and Women on Boards.

Sanushka holds a Bachelor of Laws from the University of Natal, South Africa, a Master of Applied Law from the University of Queensland and a Master of Business Law from the University of Sydney.

Con Livissianis - Treasurer & Company Secretary (Independent Non-Executive Director)

Con Livissianis is a business turn-around specialist with extensive experience in general management, corporate governance, strategic planning, change management and accounting. He also has broad experience across the agricultural, mining, import wholesale distribution, construction, property development, telecommunications, education and manufacturing sectors and in business expansion in Asia.

Con is the Managing Director of Exemplar Performance Advantage Pty Ltd, former Chairman of CPA Australia's Director Discussion Group (2007 – 2017) and Vice Chairman (Chairman 2016 – 2018) of the Greek Orthodox Parish of South East Sydney which has a school of 800 children. Mr Livissianis is also Chairman of the AIBC Audit, Finance & Risk Committee.

Con has a Bachelor of Commerce degree in Accounting & Financial Management, is a Chartered Manager and Fellow of the prestigious Chartered Management Institute UK, Fellow of the Institute of Managers and Leaders and a Fellow of both CPA Australia and the Australia Institute of Company Directors.

Con Livissianis manages Exemplar Innovation which mentor's start-ups and entrepreneurs who have innovative and latest technology ideas/products which are ripe for cloud-based solutions with an emphasis on FinTech and blockchain products.

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DIRECTORS' REPORT (continued)

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES (continued)

Barbara Ward – Independent Non-Executive Director (Appointed 1 March 2018)

Barbara Ward is the founder and Managing Director of Impact One. Her previous senior executive roles include MD of Anglican Retirement Villages Foundation, MD San Foundation, Deputy CEO AustCare and Marist Community Services, Financial Controller Lane Cove Council, Corporate Services Director NSW Crime Commission and OPSM.

Barbara is the President of the Australia India Business Council NSW, sits on a number of corporate and charity Boards and is the Chair of four charities and Vice President of Sydney Rotary Club.

She is a fellow and former President of Fundraising Institute of Australia. Barbara has received many Community, Business and NSW Government awards including "Local Woman of the Year 2017" and Gem of Ku Ring- Gai, in recognition of her outstanding contribution and service to business, community, multicultural and health sector amongst many other.

Sanjay Bhosale – Independent Non-Executive Director (Resigned 21 November 2018 and re-appointed 5 April 2019)

Sanjay Bhosale is a media and communications professional. He has worked as a journalist in Australia, India and Papua New Guinea. Currently, he is a communications manager with the federal government.

Sanjay holds a Master of Business Administration (MBA) from the Australian Institute of Business, a Master of International Affairs from the Australian National University and a Bachelor of Arts in Journalism from Southern Cross University.

Sanjay was a senior journalist with The Canberra Times, before joining the federal government five years ago. Previously, he was Associate Editor of The National newspaper in Port Moresby, Papua New Guinea.

He is passionate about the Australia-India relationship and closely follows news, politics, business, sport and current affairs in both countries. He has been active with AIBC ACT for more than seven years.

Nik Senapati – Independent Non-Executive Director

Dr Nik Senapati is the Honorary Advisor to FICCI in Australia and is an Advisor to Dua Associates and Consulting in New Delhi. Nik is also the President of the Australia India Business Council in Queensland. Until 2015 Nik was country head (MD) of Rio Tinto in India, a role that he held for almost 10 years. Nik is a geologist and has spent over 35 years in the mining industry with roles in exploration, operations, strategy and external relations. He chaired the mining committee of CII, was instrumental in establishing the Sustainable Mining Initiative for the Indian mining industry and initiated the Skills Council in the Mining Sector. Nik was educated in India, Australia and as a Rhodes Scholar in the UK.

Michael Carter – Independent Non-Executive Director

Michael Carter has over 25 years' experience in International Engagement, Business Development and Government Liaison gained from working in senior management and marketing roles in the private and in the public sector. Within his suite of core competencies include a well-grounded experience in the areas of; stakeholder engagement, Govt policy and advocacy, International business, new business development planning and B to B engagement across micro, SME and large corporates.

Michael has worked for large organisations in Western Australia and the United Kingdom in various business development, international engagement and marketing roles in commercial and private banking, seafood, dairy and meat retailing. These organisations include Westpac, Challenge Bank Ltd, Boston Safe Deposit and Trust Co Ltd (UK), Peters & Brownes Group, Bluewave Seafood and JH Dewhurst (Vestey Group PLC UK).

He worked for the Australian Federal Government's trade and investment agency; Australian Trade Commission (Austrade) to promote trade and investment for Australia internationally across a wide range of industry sectors including Food & Agribusiness, Education, Advanced Manufacturing, Healthcare, Mining & METS and Road Safety.

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DIRECTORS' REPORT (continued)

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES (continued)

Michael Carter – Independent Non-Executive Director (continued)

Michael spent 8 years in India as Trade Commissioner; 2007-2011 in New Delhi and 2011-2015 in Chennai. He also had a short-term secondment to Malaysia prior to his postings to India. In 2014 Michael received the Austrade Global award for developing and implementing the Sustainable Fisheries Initiative across Indian Ocean and SE Asian markets.

His particular skill and proven pedigree is to develop and implement effective marketing and business plans to facilitate business development and sustainable growth internationally.

Michael is a member of a number of bilateral chambers in Perth, Western Australia and has forged a strong network amongst key stakeholders including; Federal & State Govt, Business Chambers and key industry associations in Western Australia and abroad. He is currently President of the Australia India Business Council (AIBC) WA Chapter. Michael holds a Business Degree from Curtin University (Western Australia) majoring in Marketing and Management.

Suhit Anantula – Independent Non-Executive Director (Appointed 7 December 2018)

Suhit is the CEO of GP InnoVentures and GP Partners.

GP InnoVentures invests in digital health start-ups in Australia with a global ambition. Beyond investment, the fund provides support for team creation and business model development. Through its access to GPs and patients it also enables investees to test and validate go-to-market strategies.

Suhit is a global design leader practising the art and magic of strategy design for more than 10 years. He has a strong belief in the India-Australia opportunity and believes that a stronger economic diplomacy between both the countries can create a stronger opportunity for both the countries, the Asia-Pacific region and the world.

Sheba Nandkeolyar - Independent Non-Executive Director

Ms Nandkeolyar resigned 6 September 2018.

Rashi Kapoor – Independent Non-Executive Director

Ms Kapoor resigned 21 August 2018.

Marcus Best – Independent Non-Executive Director

Mr Best appointed 21 August 2018 and resigned 8 September 2018.

Adrian Vicary – Independent Non-Executive Director

Mr Vicary resigned 7 December 2018.

Kylie Bell – Independent Non-Executive Director

Ms Bell resigned 28 February 2018.

Chris Mooney - Independent Non-Executive Director

Mr Mooney appointed 21 September 2018 and resigned 14 March 2019.

COMPANY SECRETARY

John Cox – Company Secretary

Mr Cox resigned 5 April 2018.

Naomi Benton - Company Secretary

Ms Benton appointed 14 May 2018 and resigned 26 July 2018.

Chris Headon – Company Secretary

Mr Headon appointed 1 November 2018 and resigned 19 January 2019.

Con Livissianis – Company Secretary

Mr Livissianis appointed 31 July 2018, resigned 1 November 2018 and re-appointed 23 January 2019.

DIRECTORS' REPORT (continued)

OBJECTIVE AND STRATEGIES

(a) Short Term Objectives

The Company's short-term objectives are to:

1. Encourage Australian businesses to build successful trade with Indian companies.
2. Encourage Indian businesses to develop successful trade with Australian companies.
3. Organise activities which promote Australia/India business relationships and understanding.

(b) Long Term Objectives

The Company's long-term objectives are to:

1. Promote trade between Australia and India.
2. Promote understanding and cooperation between the business communities of Australia and India.
3. Contribute to the development of bilateral business policies and relationships between Australia and India.
4. Attract staff, contractors and volunteers who are committed to working for the promotion of trade between Australia and India.
5. Delivery of events, trade connections, business services and programs to promote cooperation and business relationships between the business communities of Australia and India.
6. Increasing the understanding and visibility in the community of the Australia/India trading relationship.
7. Long term financial sustainability.

(c) Strategies for Achieving Short Term and Long Term Objectives

To achieve these objectives, the Company has adopted the following strategies:

1. Attract and retain staff and volunteers who are committed to working for the members and the community.
2. Committed staff and volunteers will create new programs and maintain existing programs which will allow them to engage in continuous improvement for services and facilities.

Staff and volunteers strive to meet consistent standards of best practice and provide clear expectations of professional accountabilities to all stakeholders.

PRINCIPAL ACTIVITIES OF THE COMPANY AND HOW IT ASSISTED IN ACHIEVING THE COMPANY'S OBJECTIVES

The principal activities of the Company, in the course of the financial year, were those of a national based membership organisation that promotes trade between Australia and India. There has been no significant change in these activities during the year.

PERFORMANCE MEASURES

The company uses the following measures of its performance:

- Number of new members and % increase over previous year.
- Number of retained members and % increase over previous year.
- Number of total members and % increase over previous year.
- Number of events totally sponsored which required no financial input and % increase over previous year.
- National sponsorship revenue raised and % increase over the previous year.
- State sponsorship revenue raised and % increase over the previous year.

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS

The operations of the company during the financial year resulted in a loss after providing for income tax of \$80,951 (2017: loss of \$82,502).

EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the company's operations, the results of those operations or the company's state of affairs in financial years after the financial year.

MEMBERSHIP

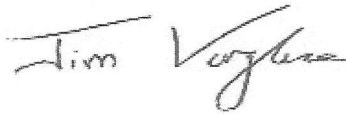
The company had 357 members at year end (2017: 394).

On a winding up of the company members would not be required to contribute.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* given to the Directors by the lead auditor for the audit undertaken by HLB Mann Judd is included on page 7.

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



Jim Varghese
Chairman

8th May, 2019



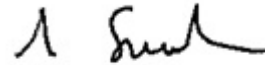
Con Livissianis
National Treasurer

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Australia India Business Council Ltd:

As lead auditor for the audit of the financial report of Australia India Business Council Ltd for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



Sydney, NSW
8 May 2019

A G Smith
Partner

AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|-----------------|-----------------|
| Revenue from continuing operations | 3 | 286,787 | 283,301 |
| Audit fees | | (17,558) | (17,060) |
| Accounting expenses | | (25,136) | (20,460) |
| Bank charges, credit card fees & merchant fees | | (3,725) | (2,759) |
| Event conduct venue expenses | | (98,287) | (119,950) |
| Legal Fees | | (39,257) | - |
| Election verification expenses | | (9,335) | - |
| Telephone expenses | | (4,853) | (3,820) |
| Printing & stationery expenses | | (3,966) | (5,041) |
| Secretariat fees & office rent expenses | | (94,227) | (91,132) |
| Taxi expenses | | (3,953) | (4,524) |
| Travel & accommodation expenses | | (37,406) | (49,859) |
| Website expenses | | (4,209) | (13,446) |
| Other expenses | | (25,826) | (37,752) |
| | | <hr/> | <hr/> |
| Loss before income tax | | (80,951) | (82,502) |
| Income tax expense | 9(b) | - | - |
| | | <hr/> | <hr/> |
| Loss after income tax | | (80,951) | (82,502) |
| | | <hr/> | <hr/> |
| Other comprehensive income | | - | - |
| | | <hr/> | <hr/> |
| Total comprehensive loss for the year | | (80,951) | (82,502) |
| | | <hr/> | <hr/> |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AUSTRALIA INDIA BUSINESS COUNCIL LTD
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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

| | Note | 2018 \$ | 2017 \$ |
|----------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 8,867 | 4,869 |
| Trade and other receivables | 5 | 62,399 | 11,555 |
| Other financial assets | 6 | 243,467 | 365,056 |
| Other assets | | 3,929 | - |
| | | <u>318,662</u> | <u>381,480</u> |
| Total current assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 2,248 | 2,248 |
| | | <u>2,248</u> | <u>2,248</u> |
| Total non-current assets | | | |
| | | <u>320,910</u> | <u>383,728</u> |
| Total assets | | | |
| Current liabilities | | | |
| Trade and other payables | 7 | 32,908 | 40,845 |
| Other liabilities | 8 | 67,662 | 41,592 |
| | | <u>100,570</u> | <u>82,437</u> |
| Total current liabilities | | | |
| | | <u>100,570</u> | <u>82,437</u> |
| Total liabilities | | | |
| | | <u>220,340</u> | <u>301,291</u> |
| Net assets | | | |
| Equity | | | |
| Retained earnings | | 220,340 | 301,291 |
| | | <u>220,340</u> | <u>301,291</u> |
| Total equity | | | |
| | | <u>220,340</u> | <u>301,291</u> |

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

**AUSTRALIA INDIA BUSINESS COUNCIL LTD
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Retained Earnings \$ |
|---------------------------------------|-------------------------------------|
| Balance at 1 January 2017 | 383,793 |
| Total comprehensive loss for the year | <u>(82,502)</u> |
| Balance at 31 December 2017 | <u>301,291</u> |
| Balance at 1 January 2018 | 301,291 |
| Total comprehensive loss for the year | <u>(80,951)</u> |
| Balance at 31 December 2018 | <u>220,340</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

AUSTRALIA INDIA BUSINESS COUNCIL LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts from members and customers | | 238,793 | 255,852 |
| Interest received | | 6,074 | 11,619 |
| Payments to suppliers | | (362,458) | (404,289) |
| Payments for income tax | | - | (5,601) |
| | | <u>(117,591)</u> | <u>(142,419)</u> |
| Cash flows from investing activities | | | |
| Transfer of funds from term deposit, net of interest | | 121,589 | 88,385 |
| | | <u>121,589</u> | <u>88,385</u> |
| Net increase (decrease) in cash held | | 3,998 | (54,034) |
| Cash and cash equivalents at beginning of year | | 4,869 | 58,903 |
| Cash and cash equivalents at end of year | 4 | <u><u>8,867</u></u> | <u><u>4,869</u></u> |

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

AUSTRALIA INDIA BUSINESS COUNCIL LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers Australia India Business Council Ltd (“the company”) as an individual entity. The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations and the Corporations Act 2001. The financial report is prepared on a historical cost basis.

The preparation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements requires Directors and/or management to make judgements, estimates and assumptions that affect the application of policies on reported assets and liabilities, income and expenses. There are no areas where assumptions and estimates are significant to the financial statements.

The significant accounting policies set out below have been applied consistently to all periods presented in this financial report unless otherwise stated.

Comparative figures have been restated where necessary to enhance presentation of the financial report.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the accounts:

(a) Statement of compliance with Australian Accounting Standards – Reduced Disclosure Requirements

Statement of Compliance

The financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board. A statement of compliance with International Financial Reporting Standards cannot be made because of the adoption of Australian Accounting Standards – Reduced Disclosure Requirements.

(b) Cash & cash equivalents and other financial assets

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions with original maturities of less than three months. Other financial assets consist of bank term deposits with an original maturity greater than three months.

(c) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade and other receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(d) Other assets

Other assets are recognised at amortised cost, less any allowance for impairment.

**AUSTRALIA INDIA BUSINESS COUNCIL LTD
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Other financial assets

Other financial assets are recognised at amortised cost, less any allowance for impairment.

(f) Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(g) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the value in use of the asset. As the company is a not-for-profit entity the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows. Therefore the value in use is the depreciated replacement cost of the asset.

(h) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. Trade and other payables are unsecured and are usually paid within 30 days of recognition.

(i) Income tax

Income tax expense is calculated by applying the current income tax rate to the estimated taxable income for the year. The company's taxable income is calculated by applying an estimated non-member percentage to mutual income and then adjusting for fully assessable and fully deductible items.

AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenue recognition

(i) Membership revenue

Membership revenue is recorded in the period of which it relates. Any membership fees received in advance are taken to deferred revenue until the period for which the membership relates has occurred.

(ii) Sponsorship revenue

Sponsorship revenue is recognised in the period of which it relates. Any sponsorship revenue received in advance is taken to deferred revenue until the period for which the sponsorship relates has occurred.

(iii) Interest revenue

Interest revenue is recognised as earned.

(iv) Event revenue

Event revenue is recognised once the respective event has occurred. Any event revenue received in advance is taken to deferred revenue until the period during which the event occurs.

(v) Other revenue

Revenue from other sources is recognised when the respective services have been performed.

(k) Goods and services tax

Revenues, 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 Tax Office (ATO). 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.

Trade and other receivables and trade and other payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from members or customers or payments to suppliers.

2. NEW OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The main new accounting standard that became effective and was adopted by the company during the financial year was *AASB 9 Financial Instruments* ("AASB 9"). The impact of the adoption of this new accounting standard is disclosed below.

AUSTRALIA INDIA BUSINESS COUNCIL LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. NEW OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED
(continued)

The company adopted AASB 9 from 1 January 2018 using the full retrospective approach of adoption. AASB 9 replaces *AASB 139 Financial Instruments: Recognition and Measurement*. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New and simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an expected credit loss model to recognise an allowance. Impairment is measured using a 12-month expected credit loss method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The company's financial instruments include cash and cash equivalents, trade and other receivables, other financial assets (consisting of term deposits) and trade and other payables. The company does not apply hedge accounting.

On initial application of AASB 9, the company assessed which business models apply to the company's financial assets and liabilities and classified its financial instruments into the appropriate AASB 9 categories. Based on this assessment it was determined that the classification of the company's financial instruments has not changed from prior periods and continue to be measured at amortised cost. The carry amounts of the company's financial assets and liabilities did not change as a result of the adoption of AASB 9.

The company has applied the simplified approach to measuring expected credit losses, using the lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on days past due. A provision matrix is then determined based on the historical credit loss rate for each group, adjusted for any material expected changes to future credit risk for that group. The difference between the impairment for expected credit losses calculated under AASB 9 compared to the incurred loss approach under AASB 139 is not material to the company.

The company has applied the loss allowance for expected credit losses on all other financial assets. The difference between the impairment for expected credit losses calculated under AASB 9 compared to the incurred loss approach under AASB 139 is not material to the company.

There has been no impact on the company's loss after income tax, current or non-current assets and liabilities or net assets at 31 December 2017 as a result of the adoption of AASB 9.

There has been no impact on the company's opening balance of retained earnings or equity as at 1 January 2017 or 1 January 2018 as a result of the adoption of AASB 9.

There have been no material impacts as a result of the adoption of AASB 9, consequently no further disclosures have been included regarding the adoption of AASB 9.

AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| 3. REVENUE | | |
| Revenue from continuing operations | | |
| - Membership fee revenue | 89,540 | 101,607 |
| - Event revenue | 95,411 | 130,069 |
| - Sponsorship revenue | 89,257 | 40,000 |
| - Sundry revenue | 5,455 | 109 |
| - Interest revenue on financial assets | 7,124 | 11,516 |
| | <u>286,787</u> | <u>283,301</u> |
| 4. CASH AND CASH EQUIVALENTS | | |
| Current | | |
| Cash at bank | 8,867 | 4,781 |
| Cash on hand | - | 88 |
| | <u>8,867</u> | <u>4,869</u> |
| 5. TRADE AND OTHER RECEIVABLES | | |
| Current | | |
| Trade receivables | 61,145 | 8,639 |
| Interest receivable | 1,254 | 204 |
| Other receivables | - | 2,712 |
| | <u>62,399</u> | <u>11,555</u> |
| 6. OTHER FINANCIAL ASSETS | | |
| Current | | |
| Term deposits | <u>243,467</u> | <u>365,056</u> |
| Term deposits bear a weighted average fixed interest rate of 2.34% (2017: 2.55%). | | |
| 7. TRADE AND OTHER PAYABLES | | |
| Current | | |
| Trade payables | 11,756 | 21,721 |
| Other payables | 3,038 | - |
| Other accruals | 18,114 | 19,124 |
| | <u>32,908</u> | <u>40,845</u> |

AUSTRALIA INDIA BUSINESS COUNCIL LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

| | 2018 | 2017 |
|------------------------------|-------------|-------------|
| | \$ | \$ |
| 8. OTHER LIABILITIES | | |
| Current | | |
| Deferred membership revenue | 7,662 | 11,592 |
| Deferred sponsorship revenue | 60,000 | 30,000 |
| | 67,662 | 41,592 |

9. INCOME TAX

(a) Income tax expense

Income tax expense differs from the amount of income tax that would be payable by the company if its taxable income for the year was equal to the profit for the year. The principal reason for this difference is that the company is liable for income tax on the portion of its operating profit deemed to be attributable to non-members.

All of the income tax expense relates to current tax.

| | 2018 | 2017 |
|--|-------------|-------------|
| | \$ | \$ |
| (b) Numerical reconciliation of income tax expense to prima facie tax payable | | |
| Loss before income tax expense | (80,951) | (82,502) |
| Tax @ the Australian tax rate of 27.5% | (22,262) | (22,688) |
| Portion attributable to members (non-assessable income/ non-deductible expense) | 18,986 | 18,942 |
| Non-deductible items | 661 | 446 |
| Deferred tax assets not recognised | 2,615 | 3,300 |
| Income tax expense | - | - |

10. LIMITATION BY GUARANTEE

Australia India Business Council Ltd is a company limited by guarantee. The company's constitution provides that every member of the company does not need to contribute an amount in the event of the company being wound up during the time of membership or within one year afterwards.

At 31 December 2018 there were 357 members (2017: 394 members) and the amount that could be called up in the event of, and for the purpose of, a winding up was \$nil (2017: \$nil).

AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. RELATED PARTY DISCLOSURES

(a) Key Management Personnel

The Directors are key management personnel. The names of the Directors in office during the year are listed in the Directors' report.

All Directors acted in an honorary capacity during the year.

Remuneration of \$nil (2017: \$nil) was paid to key management personnel of the company during the year.

(b) Other Related Party Transactions

- (i) During the year the following amounts (GST inclusive) were paid to entities associated with directors of the company:

| | 2018 | 2017 |
|---|-------------|-------------|
| | \$ | \$ |
| Office rent and administration expenses | 2,200 | 4,400 |
| Website development expenses | - | 8,360 |
| Consultancy expenses | - | 1,650 |

- (ii) During the year the following amounts (GST inclusive) were received from entities associated with directors of the company:

| | 2018 | 2017 |
|------------------------|-------------|-------------|
| | \$ | \$ |
| Membership fee revenue | - | 662 |
| Event revenue | - | 1,925 |

- (iii) There were no balances owing by any related parties to the company at 31 December 2018 (2017: \$nil).
- (iv) There were no balances owing to any related parties by the company at 31 December 2018 (2017: \$nil).

12. EVENTS AFTER BALANCE DATE

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

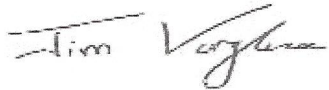
**AUSTRALIA INDIA BUSINESS COUNCIL LTD
ACN 154 498 218**

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 18 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and
- (b) 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 directors.



**Jim Varghese
Chairman**



**Con Livissianis
National Treasurer**

8th May 2019

Independent Auditor's Report to the Members of Australia India Business Council Limited

Opinion

We have audited the financial report of Australia India Business Council Ltd ("the Company") which comprises the statement of financial position as at 31 December 2018, the statement of profit and loss 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:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (b) 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's directors' report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view 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 ability of the Company 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.

Auditor's Responsibilities for the Audit of the Financial Report

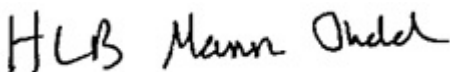
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.

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 complied 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.



**HLB Mann Judd
Chartered Accountants**



**A G Smith
Partner**

**Sydney, NSW
8 May 2019**