ANNUAL REPORT 23

BusinessCentral

WELLINGTON CHAMBER OF COMMERCE

CONTENTS

TOITŪ CARBON ZERO ISO 14064-1 ORGANISATION

We have been proudly Carbon Zero certified since 2016

REPORT OF THE ORGANISATION

The 2022/2023 financial year at Business Central was set against the backdrop of persistent inflation, high interest rates and, of course, the run into the general election.

The last year has brought real challenges for Kiwis, their whānau and businesses right across New Zealand. Cost of living pressures have been immense, and high interest rates and persistent inflation have presented great uncertainty for businesses.

The effects of climate change and related severe weather events have also wrought havoc across our region. Members in the Hawke's Bay and Tairāwhiti Gisborne are still feeling the brutal impacts of Cyclone Gabrielle – it will be many years for the primary sector to fully recover. Our team worked closely with politicians, government entities and members to coordinate information about the events and the government response as efficiently as possible. These regions have enduring exporter members and our ExportNZ operations were hard at work. It is exceptional to think they managed to hold our biggest Hawkes Bay Export Awards ever just months after the trauma of the cyclone.

Despite these challenges, support from our members right across the region remains strong. Following the isolation many experienced during the pandemic, we've been delighted by the resurgent interest in our events programme and new groups like our Chief People Officer Forums. Through careful management and investment in new tools and people to support better communications and engagement, our organisation has retained strong membership revenue.

However, businesses have been tested in their resilience. In the face of challenging national economic headwinds and a fiercely competitive business environment, many members have made difficult strategic and economic decisions as discretionary spending is reviewed. We've felt the impact of this with interest in our learning and development operations decreasing in the last year.

It's also been a busy year for our advocacy work as we sought to closely engage with the government and the various political parties in the run up to the election. Alongside our Business New Zealand Network colleagues, we've worked hard to ensure policy makers properly consider the priorities and concerns of business. We also released the 'Mighty Manawatū and Powerhouse Palmerston North Report' in September 2023 which was well received by the strong member base we have in the region. In addition, we worked with a city consultancy to help provide insights into rates in Wellington. We look forward to building on the success of these projects over the year ahead.

The work on the 2023 election made for a busy programme of events focused on local and national policy. The new government is promising significant reform across large sectors of the economy which presents real opportunities for the business community. I ask that you keep helping us improve what we do by sharing your business' priorities to take to government.

I wish to thank the Council of Business Central for their work over the last year.

I also acknowledge the work of our Chief Executive, Simon Arcus and his team. Our Business Central team has continuously delivered quality to members despite uncertain times.

Jo Healey
Chair, Business Central

REPORT FROM THE WELLINGTON CHAMBER OF COMMERCE PRESIDENT

As Wellington Chamber of Commerce commemorated its 166th year of service to businesses and the city, we were keen to build on what had served us so well over that time but also implement new initiatives to be more inclusive and relevant.

Our partnerships with Te Awe Wellington Māori Business Network and Wellington Pasifika Business Network - often called the "Power of Three" - have strengthened and we continue to explore ways in which the Chamber can better support the city's wider business community. The kawenata between the Power of Three are strategically important for us and are long term agreements that deepen and evolve.

In 2023 the second "Wellington Address" dinner was held at Te Papa. It was a brilliant evening and a great example of the role our organisations can play in lifting up the achievements of businesses in our capital and promoting Wellington as a great place to live and work in as well as being a centre of business.

Advocacy in local government takes considerable time and effort from our team at the Chamber.

The city has faced its fair share of challenges over recent years, and 2023 has been no different. Significant issues around aging infrastructure, public transport and local government funding persist. We've made interventions around Let's Get Wellington Moving, pressing the council to hold the project to account, we're also working to shift to a more equitable model of local government financing that doesn't put such a burden on business. Debt and prioritisation of civic projects have been a major issue of concern.

There are no quick fixes ahead. Our city is going to have to make difficult decisions and be clear that things like fixing pipes and improving infrastructure are paramount concerns in the minds of many. But there is also huge opportunity. From game design to software services, craft beer to coffee roasting, independent retailers and award-winning restaurants, Wellington is home to some of the most dynamic and innovative industries in New Zealand. If we can get the settings right, Wellington's economy can thrive.

I was also delighted to host our 'Lions Lunch' in October inviting past Presidents of the Chamber to gather, an event first initiated by our Chief Executive in 2022. At the lunch I reflected that we are no ordinary enterprise with a rich history and thousands of hours of collective voluntary service in that room.

The Chamber will continue to be at the heart of advocating for business as we have for over 160 years.

I look forward to continuing to serve the Chamber over the year ahead.

Karun Shenoy
President, Wellington Chamber of Commerce

REPORT FROM THE CHIEF EXECUTIVE

Business Central delivered on major strategic objectives for the year as well as a comprehensive programme of operational improvements. Significant external challenges did not deter progress as planned on two major digital projects and we have focused on immproving the way we do business. Our people and their commitment to our members remain the foundation of our culture.

This year Business Central was presented with challenges to rival those of the recent COVID-19 pandemic. These included high inflation and interest rates, skills-shortages, severe weather events and a baseline of lower event attendance and revenue risk as businesses reigned in spending on services.

The operating environment was similar to that experienced by many of our members , but I make particular mention of those in the Hawke's Bay and Tairāwhiti Gisborne who were so impacted by ferocious Cyclone Gabrielle. Two of our Business Central team were in the cyclone zone, and the hours waiting to restore communications with them and hear they were safe were particularly anxious ones.

Despite the challenging year, we achieved strong revenue gains of $483k, providing an almost 22% uplift across our major operational activities. Revenue increased from membership subscriptions and our services business. Our investment portfolio also had a strong year.

Tight management of costs and improving team productivity was a focus of the year. The strong performance was impacted by wage and cost pressures offsetting some of these gains.

We report an operating loss for the financial year of $486k, resulting from the significant investment in a new CRM system, in addition several discrete (i.e. non-repeating) costs impacted the final result.

A change in accounting standards meant that the costs incurred during the current financial year to implement a new CRM system ($503k) had to be expensed through the Statement of Comprehensive Revenue & Expenditure, and not capitalised onto the Balance Sheet as an Intangible Asset. This had a major impact on the financial results as a result.

We believe that the future years for the organsiation are on an increasingly strong footing. Business Central has undergone significant improvement and modernisation of long neglected areas of our operations, evidenced by examples such as major improvements in our finance systems and our people management systems. We implemented a new People & Culture strategy, new performance system and new employee policies and procedures.

We made considerable progress on several key member-focused projects for Business Central including the launch of a new website and invested in a new member database (CRM) as the old one had reached service obsolesence. This project will position us to be able to better use data to understand member needs, target communications, provide insights to our stakeholders and direct resources more efficiently to members.

Our advocacy with local and central government was consciously adapted during the year to take a more strategic approach, producing new thought leadership material and publishing reports with credible analysis and impact.

We have also been able to effectively leverage our role as one of the founding members of the BusinessNZ Network to advocate throughout New Zealand, drawing on unparalleled resources and knowledge. Our move into shared offices with BusinessNZ at 157 Lambton Quay, Wellington, will provide opportunities to work together more closely.

My personal optimism about business is boosted by visiting members and spending time with businesses run by extraordinary innovators and entrepreneurs. Some of these are showcased at our annual Export Awards, and I thank the team at ASB for their dedicated support.

I acknowledge and thank the boards of Te Awe Maori Business Network and the Wellington Pacific Business Network for our work together and I take strength from their support personally and professionally.

A highlight of 2023 was the second-ever 'Wellington Address' event at Te Papa, embodying our kawenata with these professional networks. We showcased the mahi we've been doing together to lift-up and celebrate the achievements of Te Whanganui-a-Tara's diverse business community.

This partnership is ground-breaking in the history of both the Chamber and Business New Zealand Networks and will see our organisations share knowledge, services and cultural expertise to help grow businesses in the Wellington region.

We also have a strong and supportive stakeholder environment. Our Chair, Chamber President and Council members give their time to Business Central voluntarily. I thank the directors of CBL Ltd, the New Zealand-Taiwan Business Council and many other stakeholders closely connected to us. I deeply appreciate our partners and sponsors.

I am particularly proud of our team who have taken on our renewed focus on purpose and really believe in serving and representing members. I take the unusual step of specifically mentioning the contribution of Hayden Blucher in our work this year, after he accepted a considerable promotion to become Manager of Operations.

My particular thanks to our members who are at the heart of all we do. I congratulate you on the determination and focus it has taken to make it through the challenges of this year. We'll continue to work hard for you, to ensure your interests are represented to policy makers, and to continually improve and develop our services and support offerings as appropriate to your needs.

Simon Arcus
Chief Executive, Business Central and the Wellington Chamber of Commerce

THE LIONS

The President of the Wellington Chamber of Commerce for 2022 is Karun Shenoy.

The Wellington Chamber of Commerce is different from any ordinary business, having a history of 166 continuous years of activity. We are older than the Wellington City Council by 13 years. The first advocacy matter we pursued was in 1857, taking up the urgent need for an improved Pencarrow Lighthouse with the Provincial Government. Without a high-quality lighthouse, Wellington would be commercially disadvantaged. A state-of-the-art lighthouse was duly shipped in modular pieces from London, to be assembled on arrival.

Any organisation like ours is the culmination of the work of current and past leaders who champion the voice of business. In 2022 the Chief Executive established a lunch for past Presidents to acknowledge their service and maintain ties with our past 'lions' of the organisation who contributed to our work. We hosted our second "Lions Lunch" at the Chamber's new offices in October 2023. Guests were provided an update on the organisation by the advocacy team and were joined by Kirk Hope, Chief Executive of BusinessNZ, for a discussion on national advocacy issues.

We were delighted to be joined by the following Lions:

- Barrie Saunders
- Richard Stone
- Nigel Gould
- Peter Steel
- Vaughan Renner
- John Swan
- John Lumsden
- David Gray

Peter Cullen, Jon Bransgrove and Charles Finny all gave their apologies.

We thank these Presidents and Chairs for their service to Business Central and the Chamber.

MEMBERSHIP

Our members are at the forefront of everything we do. In the wake of Covid-19, we've been delighted to welcome back members to our events and networking opportunities.

Like all businesses, the past year involved key challenges in attracting and retaining staff in one of the tightest labour markets in history. We have heard from many businesses dealing with wage inflation and the need to pass on increased costs to customers in order to sustain their operations.

In response to rising costs, we undertook a membership subscription review. A pricing review had not been completed for almost seven years and a key goal of this work was a more transparent and equitable pricing structure. This was an intensive task for the team and part of our objective was to improve an historically ad hoc approach to fees resulting in revenue anomalies. We are confident this new pricing structure will give us a sustainable footing for our operations to maintain the right standard of services and improve our future offerings.

One of our flagship services, our Employment Relations practice - which includes

- AdviceLine
- Legal consulting services and
- Health & safety advice

has continued to grow and be heavily utilised by our members. We are looking at how we can grow the services available to members and increase the breadth of our offering in this space.

With Covid-19 restrictions now largely behind us, we have seen the attendance at our networking events grow. A return to a normal member events programme highlighted the importance of in-person interactions for us. Our ability to be the foundation of a business community where people connect, learn and thrive is something that sets us apart and we see as a key value proposition.

We have also implemented a new customer relationship management (CRM) platform – Microsoft Dynamics. This new platform allows us to better service the needs of our members by being more targeted in our approach, ensuring that we are a better engaged and capturing higher quality information.

Further developments in the CRM will be implemented for member convenience such as a member only login and ensuring all events and training can be booked directly via our website and linked directly to your profile. We look forward to continuing to serve the needs of our members and provide services that help organisations them to succeed.

LEARNING AND DEVELOPMENT

A period of transition for the organisation has resulted in positive outcomes overall and better long term strategic planning in Learning & Development. In recent times considerable focus has been put into improving the operating model.

The past year has been challenging due to the general economic conditions which made businesses reluctant to spend on Learning & Development. In reality a business imperative, Learning & Development is often treated as discretionary in tough times. Our work from the 'ground up' has resulted in positive outcomes overall and better long term strategic planning but improving operations in Learning & Development has required considerable focus.

The team faced many challenges over the past 12 months, coupled with the ongoing consequences of Covid-19, and demand for courses dropping as well as considerable rescheduling work due to illness. A refreshed team with new staff also necessitated a period of rebuilding and a clearer focus on the training goals for 2024 to make use of the skills of the team.

Despite the challenges and obstacles, and due to applied effort by the team, we managed to exceed our target for courses delivered deploying 183 courses against a target if 175. This was managed through spreading our course delivery across multiple sectors, increasing our bespoke offerings, and partnering with stakeholders and funders to deliver high-quality programmes.

We also greatly exceeded our member satisfaction targets due to quality delivery from our pool of trusted facilitators. The 2023 strategy document noted a 75% satisfaction target for feedback on courses. Satisfaction scores were 91% on average so this is a heartening result for a challenging period.

Our members are starting to feel more positive about the business environment, and the team is optimistic that an excellent 2024 for our training offerings and financial targets is possible.

A FOUNDATION FOR SUCCESS

The Big Five areas we are focused on for 2024:

1 Building a diverse and highly qualified facilitator pool

2 Expanding our Inhouse offerings by partnering with the Membership Team to leverage capabilities

3 Engaging in a tightly controlled course review project over the Summer to ensure best practice resources for the new course schedule

4 Working on large-scale programme development with the support of key funders and stakeholders

5 Developing and nurturing partnerships to offer more value for members in our course catalogue

CARBON ZERO

Business Central has been Net-Carbon Zero certified since 2016.

What does this mean? Since 2016, we have been on a pathway to reducing our net emissions to zero by 2050, aligned with the Science Based Targets initiative and 2030 Agenda. Our emission reduction plan is in place to ensure we are steadily transitioning to a net-zero carbon economy, and are prepared for future changes in regulations, supply and demand.

We recognise that, by 2030, the way we do business will look different. We are committed to a net-zero carbon transition and we know that going through the process ourselves positions us to help member businesses with their transition as well.

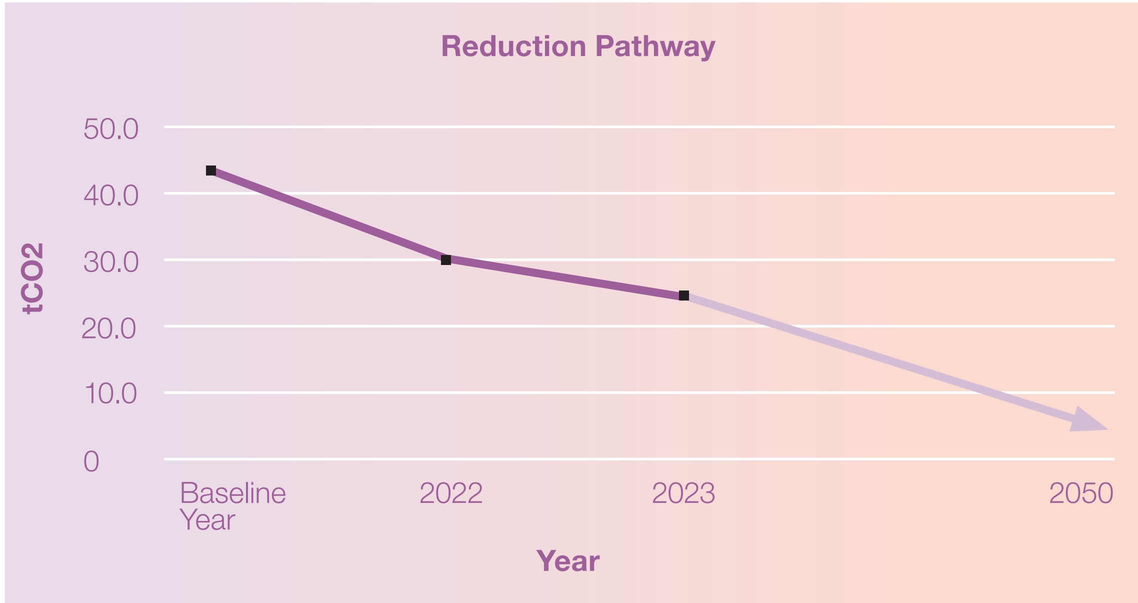
We are pleased to report that this year the entire Business New Zealand Network is certified Net-Carbon Zero. The Network has identified the following Sustainable Development Goals that direct our internal and external sustainability strategies.

How are we going? From our baseline year, we have reduced our emissions by 43.45%, putting us well ahead of our current target to reduce our emissions by 20%. Our baseline year will reset next reporting period and will set new targets.

We purchased 25 carbon credits to offset our emissions, which are used to support permanent sink forests in Mount Pleasant and Coatbridge Station. The Business New Zealand Network is committed to only purchasing credits for New Zealand-based projects. While these credits are more expensive than those for offshore projects, we believe it is important that we support local initiatives.

Switching to Ecotricity

Our biggest emission reduction win this financial year came from switching our electricity providers. Ecotricity are a climate-positive electricity provider that source 100% of the electricity from renewable sources. This resulted in a 100% reduction in emissions from electricity, and a significant reduction fom our baseline year, where electricity was our third-highest emission source.



EVENTS AND NETWORKING

In comparison to the previous year, where event restrictions were in place for nine months, the 2022/23 year has had no restrictions and our members have been enthusiastic about networking and engaging, albeit with a cautious start.

To address the challenges faced in the past, we made a conscious effort to increase the number of events held throughout the year. As a result, we successfully organised 23 additional events compared to the previous year.

One notable achievement was the relaunch of our Business After 5 events, which we rebranded as After 5. These events have gained momentum and continue to grow in popularity. We have received positive feedback from a number of members who have already expressed interest in hosting these events in the coming year. Feedback from members that attend have been that they find such events to be highly beneficial in expanding their networks.

Our Westpac Smarts events have consistently reached maximum capacity, with 70 attendees at each session. Due to the overwhelming response to a session featuring former All Blacks captain Richie McCaw, we had to find a larger venue to accommodate the 191 people in attendance.

In October 2022, we had the opportunity to host a highly popular mayoral election debate, where we heard from the four key candidates running for office. Following the election, we were fortunate to have Tory Whanau, the newly elected mayor, as our guest speaker at the October Beehive to Business breakfast. This was her first engagement since taking office.

We have continued our collaboration with Te Awe Māori Business Network and Wellington Pasifika Business Network, culminating with the 'Wellington Address' partnership event at Te Papa. The event celebrates individuals who have made significant contributions to Wellington's prosperity beyond their own work. The awards presented at this event recognised those in the business community who have dedicated their energy to making Wellington a better place to live and work.

Looking ahead to the next financial year, we are committed to further growing attendance for our various bi-monthly event series and various one off events. We have a strong line-up of content and speakers planned, all designed to connect, engage, and inspire our members.

Total Number of Attendees 3,841

Total Number of Events 62

Sponsors:

2022 Connect: Talks to Inspire – **BNZ**

2022/23 Member Briefings – **ANZ**

2022/23 Westpac Smarts – **Westpac**

2023 Women's Day – **Z Energy / AV Media**

2023 Pre-Budget Address – **Deloitte**

2022 Wellington Address - **Ministry of Pacific Peoples, CentrePort, Kapura**

2022 Golf Day
Naming Rights: **Jarden**

2022 Golf
Food & Beverage: **Primestar / Nga Pari / Garage Project / Foxton Fizz**

2022 Golf
Holes: **Excel Digital / Malcolm Pacific / Food Envy / Jetstar / NZME / Talent International / Ricoh / Kapura / Madison Recruitment**

2022 Wellington Mayoral Debate
JacksonStone & Partners

Partnerships:

2022 Wellington Mayoral Debate: Victoria University of Wellington / NZ Herald

Jetstar

SUPPORTING OUR BUSINESS COMMUNITY

Business Central recognises it has a role in the business community to provide information, education and practical advice for business. We operate a number of programmes for members and the broader business community. Sustainability initiatives and connecting businesses with advice and guidance feature strongly in this work. We encourage members looking for help or guidance in their business to contact us for help – let us do the work for you!

GoZero – our sustainability initiative The GoZero brand covers the initiatives and support we provide to the local business community to assist with the transition to a net-zero economy. We have been collaborating with the Learning & Development teams across the Business New Zealand network and working closely with Business New Zealand directly to develop a suite of training courses, covering a range of topics and specialties. Our focus is to ensure we are running the most targeted and up to date courses for our members, and we look forward to the inclusion of sustainability trainings in our 2024 course schedule.

GoZero Sustainability Bootcamp Acknowledging the need for a just transition to a net-zero economy, we partnered with Wellington City Council for a second year to run the Sustainability Bootcamp. This partnership allowed us to subsidise a high-value collection of training courses at an affordable rate, ensuring all businesses had the ability to access the knowledge and resources needed to begin on a pathway to net-zero emissions.

48 organisations signed up to the Sustainability Bootcamp this year across two cohorts. We will not be running the Bootcamp in 2024, as instead we will focus on offering support around our new suite of training courses and on more targeted partnerships within specific industries.

Connecting employers to job seekers
For the past 7 years, Business Central has helped connect our members to high quality employees, helping to place over 600 people into employment. We continue to partner with several key organisations to create fit for purpose programmes that connect our members with local job seekers and we are always looking for opportunities to help.

Business Mentors
Since 1992, The Wellington Chamber of Commerce has been helping small business owners find business mentors through Business Mentors New Zealand.

We support small to medium-sized enterprises and start-up businesses by connecting them with a voluntary Business Mentor. Each mentoring relationship lasts for up to 12 months.

We have a pool of more than 120 Mentors who provide in person and virtual mentoring to the wider Wellington and Wairarapa business community.

We now have an optional feature called "Choose A Mentor", which allows the business owner to view a portal of available Mentors and request a suitable Mentor.

Since July 2022, we have assisted 191 small businesses to find mentors.

INTERNATIONAL TRADE

ATA Carnets

Carnets have performed well this year, seeing a 15% year-on-year improvement. This reflects supply chain stabilisation following the Covid pandemic.

Further developments include the switch to an issuing system that is compatible with digital carnets. Planning between the Wellington Chamber of Commerce and New Zealand customs has begun, with hopes to have eCarnets available to the New Zealand public by 2024.

Certificates of Origin

Certificates of Origin volumes decreased slightly this year. In the first half of the year, we switched to a new issuing system, and our top exports for Certificates have been meat, seafood and processed food products.

Over two thirds of our certificates go to China, with much of the remainder going to Australia and ASEAN countries. We have seen an increase in applications for RCEP (Regional Comprehensive Economic Partnership) Certificates of Origin, but the volume remains significantly lower than that for China NZ FTA and AANZ FTA certificates.

EXPORTNZ

ExportNZ is part of the Business New Zealand network and its activities are delivered in Wellington and the Hawke's Bay by Business Central, "Exporters helping Exporters" is the tagline of the brand and it continues to play a role in connecting the export community in both regions.

The devastating effects of Cyclone Gabrielle have pushed our export community to the limits of its resilience. The cost of repairing the damage runs into the hundreds of millions of dollars and it is all the more important that ExportNZ continue to support and speak for the export sector and the people who work in it.

In Wellington we have focussed on rebuilding a reconnected export community, working closely with NZTE to achieve this. We ran an excellent ExportNZ ASB Wellington Export Awards event in June 2023 which was a close contest between the entrants. It took 3 days for the judges to reach consensus on the winner. Rachael Taulelei was an excellent MC at the awards and created a great atmosphere at the event.

In the Hawke's Bay, the year began with what has now become our flagship event, the ExportNZ ASB Hawke's Bay Export Awards. Numbers continue to grow each year in entries and attendees at the gala dinner. We have excellent sponsorship support for the awards, and we are proud that most of them continue to be involved.

Alongside the awards success, ExportNZ has ramped up its partnership with the Southeast Asia Centre of Asia Pacific Excellence, with export workshops being run in Wellington, Hawke's Bay, Gisborne, Palmerston North, and Whanganui. These workshops have been well attended and increase our market offering for exporter capability. We would particularly like to acknowledge the work of Business Central Board Member, Professor Siah Hwee Ang, for his contribution to this partnership.

ExportNZ would like to thank the following sponsors across Wellington and the Hawkes Bay

- ASB
- Southeast Asia Centre of Asia Pacific Excellence
- New Zealand Trade and Enterprise
- Deloitte
- Jetstar
- Centreport
- Victoria University School of Business
- GoZero
- JW Marriott Gold Coast Resort and Spa
- ContainerCo
- T&G Global
- Napier Port
- Hawke's Bay Airport
- Hastings District Council
- Napier City Council
- Te Mata Winery

REPRESENTING THE MEMBER VOICE

With Covid in the rear-view mirror, many were hoping for a return to more normal times and a more positive economic climate in which to do business. Being able to meet and trade again in person has clearly been a welcome shift, but the year has not been without its own challenges and levels of business confidence came to historic lows and growth was tempered.

At the start of 2023, huge swathes of Aotearoa New Zealand, and our region in particular, were hit hard by Cyclone Gabrielle. This extreme weather event had a significant impact across the Hawke's Bay and Tairāwhiti regions in particular – many of our members in these areas reported significant disruption to business operations. That disruption is still ongoing and will have lasting impacts on future growth targets.

In the aftermath of the Cyclone, we worked closely with the government, particularly MBIE & NZTE, to communicate the needs of members and influence the range of immediate support measures and longer-term response. In many areas, the response has been too slow – significant work remains to be done and we look forward to engaging closely with the new government to further advance the recovery.

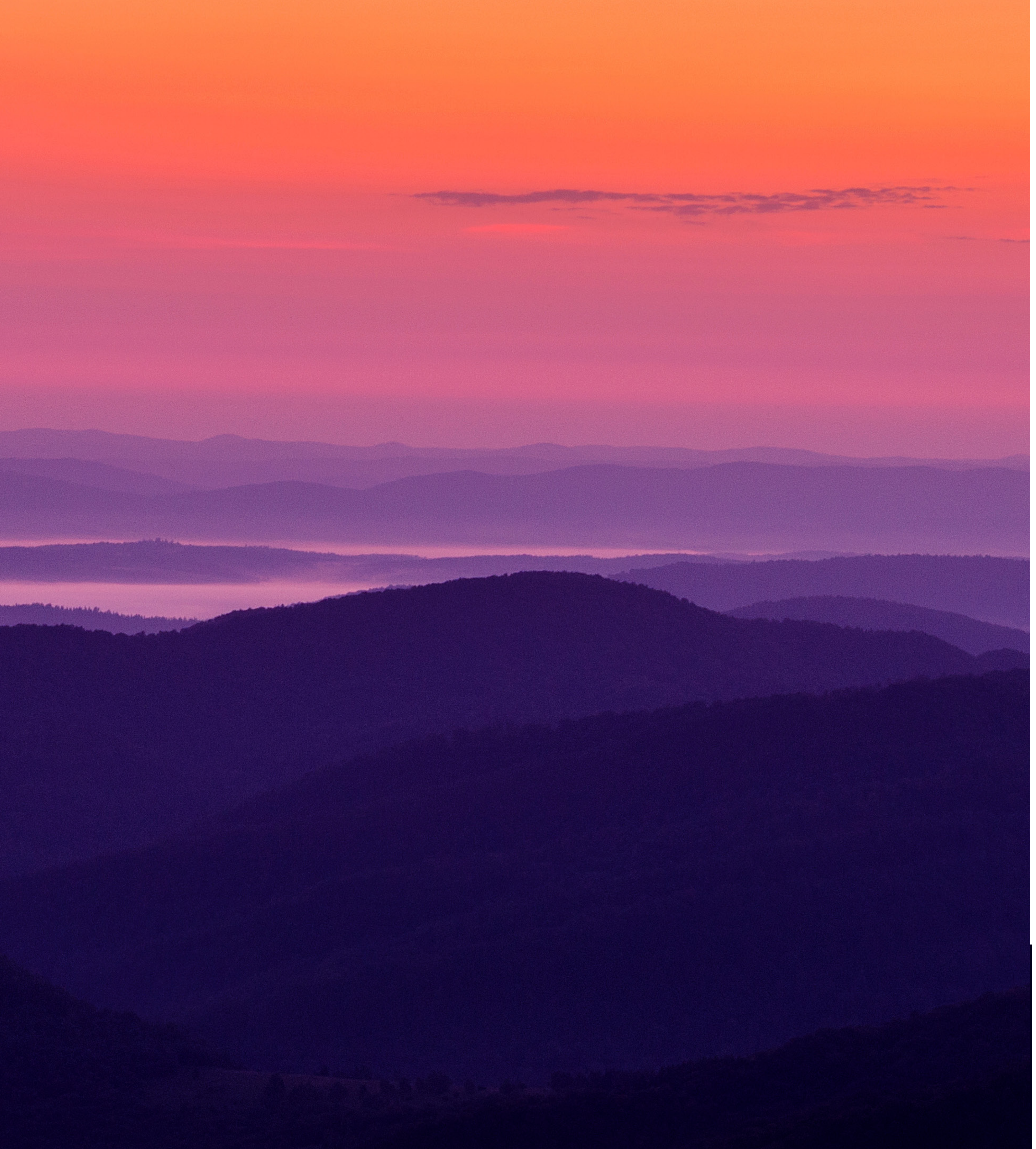
Moving away from the Hawke's Bay and Tairāwhiti, we have been increasingly active in Palmerston North and the wider Manawatū. Earlier in the year, working closely with the Manawatū Business Chamber, we commissioned consultants Iron Duke to author a short report 'Powerhouse Palmerston North and Mighty Manawatū'. The report examined the particular challenges and opportunities facing the business community in these areas and has driven strong engagement with the local authorities and the economic development agency. We look forward to continuing this mahi in the New Year and will be exploring how we can drive similar conversations through projects across the wider Business Central region.

In Wellington, the Chamber of Commerce has made significant contributions to the Wellington City Council ratings policy review and associated engagement relating to the Long-term Plan. With support from members, we were pleased to engage Wellington-based economic consultants, Sense Partners, to carry out a review of rates settings in the capital. This work has established a firm platform for continued advocacy over the year ahead and found that Wellington's high business differential is constraining economic growth. The Sense Partners report will inform our wider engagement with the Council around the long-term sustainability of local government finances – we will be engaging closely with the Council, and central government, on this broad issue over the months ahead.

Finally, in this election year, we worked closely with our network partners at BusinessNZ to ensure the views and priorities of our members were properly considered by all the major parties throughout the campaign. This work culminated in the publication of our pre-election 'manifesto for business'. As the new government takes shape, we will be working to engage closely with new ministers to ensure promises made through the campaign are kept.

THANK YOU TO OUR SPONSORS

Connect: Talks to Inspire	bnz, St Johns Bar & Eatery
Member Briefings	ANZ
Westpac Smarts	Westpac
Women's Day	Z is for Business, AV Media
Pre-Budget Address	Deloitte.



Business Central (Incorporated) Group

Consolidated Financial Statements

For year ended 30 June 2023

BusinessCentral WELLINGTON CHAMBER OF COMMERCE

Directory

For the year ended 30 June 2023

Registered Number
2504351

Registered Office
Level 7, 3-11 Hunter Street, Wellington

Directors
Joanne Healey
Siah Hwee Ang
Jonathan Dean
Mark Oldershaw
Brad Olsen
Adele Rose
Karunakar Shenoy
Chad Johnston

Auditor
Grant Thornton Limited
Wellington

Bankers
ANZ Banking Group
Wellington, ASB, Wellington

Solicitors
Minter Ellison Rudd Watts, Wellington

Directors' Report

For the year ended 30 June 2023

The Board of Directors present their Annual Report including the Consolidated Group Financial Statements of Business Central (Incorporated) for the year ended 30 June 2023, and the auditor's report thereon.

For and on behalf of the Board on 28 November 2023

President

Director

Consolidated Statement of Comprehensive Revenue & Expense

For the Year Ended 30 June 2023

	NOTE	2023	2022
		$	$
Revenue From Non-Exchange Transactions			
Grant Funding COVID-19 Wages Subsidies		-	13,200
Other Grant funding - -		-	-
Total revenue from non-exchange transactions			13,200
Revenue From Exchange Transactions			
Subscriptions		1,506,602	1,562,931
Trading Revenue	7	2,228,343	1,744,469
Dividend Income from Available-for-sale Financial Assets		148,112	132,934
Interest Income from Available-for-sale Financial Assets	5	227,599	139,667
Total Revenue from exchange transactions		**4,110,656**	**3,580,001**
Other Income	6	64,405	129,139
Gains reclassified from Other Comprehensive Revenue and Expense upon Disposal of Available-for-sale Financial Assets		293,114	436,893
Total Revenue		**4,468,175**	**4,159,233**
Expenses			
Employee Related Costs	8	- 2,223,269	- 2,134,764
Other Staff Costs		- 292,230	- 91,916
Trading Expenditure	7	- 625,038	- 516,950
Business NZ Levies	10	- 439,614	- 439,614
Occupancy Costs including Rent		- 245,441	- 275,577
Computer Support and Communications	2d	- 664,507	- 276,604
Postage, Publications, Printing & Stationery		- 41,847	- 48,327
Fees Paid to Auditor's Firm	11	- 77,039	- 39,525
Advertising and Promotion		- 18,374	- 33,683
Depreciation of Property, Plant and Equipment		- 33,031	- 38,632
Executive Meetings		- 96,140	- 9 ,633
Insurance		- 11,587	- 21,292
Legal Fees		- 39,408	- 2 ,070
Carbon Zero		- 9,283	- 8 ,709
Travel Costs		- 29,112	- 21,840
Other Costs		- 123,438	- 104,499
Total Expenses		**- 4,969,357**	**- 4,063,635**
Surplus/(Deficit) Before Share of Equity Accounted Investees		**- 501,182**	**95,598**
Share of Equity Accounted Investees Surplus/(Deficit) for the Year	10	35,386	49,821
Surplus/(Deficit) for the Year before Taxation		**- 465,796**	**145,419**
Income Tax Expense		- 20,190	84,140
Surplus/(Deficit) for the Year before Taxation		**- 485,986**	**229,559**

Other Comprehensive Revenue and Expense		
Gain/(Loss) on Revaluation of Available-for-sale Financial Assets	431,654	- 1,478,857
(Gains) Reclassified from Other Comprehensive Revenue and Expense upon Disposal of Available-for-sale Financial Assets	- 293,114	- 4 36,893
Total Other Comprehensive Revenue and Expense for the Year	**138,540**	**- 1,915,750**
Total Comprehensive Revenue and Expense for the Year	**- 347,446**	**- 1,686,191**

Consolidated Statement of Changes in Net Assets/Equity

For the year ended 30 June 2023

	Available-for-sale Financial Assets Fair Value Reserve	Accumulated Revenue and Expense	Total Net Assets / Equity
	$	$	$
Opening Balance at 1 July 2021	**3,492,106**	**7,870,746**	**11,362,852**
Surplus/(Deficit) for the Year after Taxation		- 485,986	- 485,986
Other comprehensive revenue and expense			
Gain/(Loss) on revaluation of available-for-sale financial assets	431,654		431,654
(Gains) Reclassified from Other Comprehensive Revenue and Expense upon Disposal of Available-for-sale Financial Assets	- 293,114		- 293,114
Closing Balance at 30 June 2023	**3,630,646**	**7,384,760**	**11,015,405**

Consolidated Statement of Financial Position
As at 30 June 2023

	NOTE	2023	2022
		$	$
Current Assets			
Cash and Cash Equivalents	15, 16	1,164,699	995,075
Term Deposits	15, 17	51,401	642,405
Debtors	15, 18	826,257	1,104,436
Prepayments		8,173	49,693
Securities – Available for sale investments	15	779,168	755,707
Deferred Tax Asset	21	149,622	169,812
Total Current Assets		**2,979,319**	**3,717,128**
Non-Current Assets			
Securities – Available for sale investments	15	9,249,543	9,049,241
Investment in Equity Accounted Investees	10	412,532	377,146
Property, Plant and Equipment	14	116,617	102,048
Intangible Assets	13	28,742	28,472
Total Non-Current Assets		**9,807,434**	**9,556,907**
Total Assets		**12,786,753**	**13,274,035**
Current Liabilities			
Employee Benefits		65,222	84,002
Revenue in Advance		925,123	1,268,372
Creditors	15	699,328	474,939
GST		81,673	83,870
Total Current Liabilities		**1,771,347**	**1,911,183**
Total Liabilities		**1,771,347**	**1,911,183**
NET ASSETS		**11,015,406**	**11,362,852**
Equity			
Available-for-sale Financial Assets Fair Value Reserve		3,630,646	5,407,856
Accumulated Revenue and Expense		7,384,760	5,954,996
TOTAL EQUITY		**11,015,405**	**11,362,852**

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows
For the year ended 30 June 2023

	NOTE	2022	2022
		$	$
Cash Flows From Operating Activities			
Cash was received from:			
Subscriptions		1,506,602	1,042,473
Trading Revenue		2,228,343	1,947,967
Interest Received		227,599	128,497
Dividends Received		148,112	134,118
Other Revenue		64,405	161,017
Net GST Payments		-12,251	13,520
		4,162,810	**3,427,592**
Cash was applied to:			
Payments to Suppliers & Employees		4,187,162	4,070,708
Net GST Payments		-	-
		4,187,162	**4,070,708**
Net Cash (used in) / from Operating Activities		**-24,352**	**-643,116**
Cash Flows From Investing Activities			
Cash was received from:			
Proceeds from Maturing Term Deposits		590,000	850,000
Proceeds from Securities – Available for sale investments		790,950	1,183,768
		1,380,950	**2,033,768**
Cash was applied to:			
Purchase of Securities – Available for sale investments		949,801	692,361
Purchase of Term Deposits		200,000	189,715
Purchase of Property, Plant & Equipment		47,600	42,072
		1,197,401	**924,148**
Net Cash from / (used in) Investing Activities		**183,549**	**1,109,620**
Net increase / (decrease) in Cash & Cash Equivalents		**159,196**	**466,504**
Cash & Cash Equivalents at the Beginning of the Year		**995,075**	**506,026**
Exchange Rate gain / (loss)		10,428	22,545
Cash & Cash Equivalents at the End of the Year	**15, 16**	**1,164,699**	**995,075**

1) STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Business Central (Incorporated) is a New Zealand incorporated society registered under the Incorporated Societies Act 1908 (the "Act"), domiciled in New Zealand.The consolidated financial statements comply with that Act.These consolidated financial statements comprise the financial statements of The Business Central Incorporated Group ("the Group") for the year ended 30 June 2023 and the comparative year of the year ended 30 June 2022. The Group consists of Business Central Incorporated (BC or the Parent) and the following entities:

	Country of Incorporation	Percentage of Share-holding/Ownership	
Entity		2023	2022
The Employers & Manufacturers Association (Central) Incorporated ("EMAC")	New Zealand	100%	100%
Wellington Regional Chamber of Commerce Limited ("WRCC")	New Zealand	100%	100%
Commerce Building Limited ("CBL"), a wholly-owned subsidiary of WRCC	New Zealand	100%	100%

The Group also holds the following interests in entities which are not consolidated:

- Business New Zealand Incorporated ("BNZI"), an associate for which the Group has a 26.02% interest and which is an equity accounted investee of the Group
- Taiwan New Zealand Trade Development Limited, which is 100% owned WRCC on the basis that the shares are held in a fiduciary capacity only, and that the Group has a 100% non-controlling interest. Accordingly, transactions or balances relating to this company are not consolidated

The Group is a Public Benefit Entity by virtue of its primary activities being for community or social benefit, including the provision of professional services and business support to its members throughout the Central region of New Zealand, such as training and events for enterprise and networking, access to regional and national initiatives, advocacy, representation and resources to build enterprise capability.

These financial statements were authorised for issue by the Directors on 28 November 2023

2) BASIS OF PREPARATION

a) Statement of Compliance

The Group's consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied.

The Group qualifies as a Tier 2 reporting entity as it does not have public accountability and annual expenditure does not exceed $30 million. All transactions in the financial statements are reported using the accrual basis of accounting.

The Group is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

b) Basis of Measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of investments which are carried at fair value.

c) Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars ($) which is the controlling entity's functional and Group's presentation currency, rounded to the nearest dollar.

d) Changes in Accounting Policies

The accounting policies adopted are consistent with those of previous financial years, except for what is described below. Otherwise, the impact of new and amended standards and interpretations applied during the year was limited to additional note disclosures.

As a result of the International Financial Reporting Standards Interpretations Committee's agenda decision clarifying its interpretation of how current accounting standards apply to upfront configuration and customisation costs incurred in implementing Software as a Service (SaaS) arrangements, the Group has changed its accounting policy from capitalisation of these costs to expensing them when incurred.

3) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the Group that have a significant effect on the financial statements:

Grant revenue

The Group receives grant income to provide support for the community or social benefit for the Central region of New Zealand. Management have assessed there is no equal exchange provided in return for the revenue, and therefore has been accounted for as non-exchange revenue.

Deferred tax assets

The Group has recognised $169,812 of deferred tax assets at 30 June 2022. The tax effect of unrecognised tax losses at 30 June 2022 ($7,680,323) is $2,150,490. The tax losses recognised with deferred tax assets reflect the amount that Management have determined is probable to be utilised against the Group's future taxable profits.

Acting as Agent in Respect of Carnets

Management have determined that the Group acts as an agent in all aspects for transactions related to carnets because the transactions that take place between the Group and the customer for holding a deposit or bank indemnity for the duration of the arrangement are in substance the Group acting as an agent between the International Bureau of Chamber and the customer. The amounts collected on behalf do not result in increases in net assets/equity for the Group (see note 19).

4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Group have been applied consistently to the year presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below.

a) Basis for Consolidation

The consolidated financial statements comprise the financial statements of Business Central (Incorporated) and its controlled entities ("the Group") at 30 June 2023. The Group financial statements consolidate the financial statements of the Parent and all Entities over which the Parent is exposed, or has rights, to variable benefits from its involvement with the other entities and has the ability to affect the nature or amount of those benefits through its power over the other entities.

The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All controlled entities have a 30 June balance date and consistent accounting policies are applied.

All significant intra-group balances are eliminated on consolidation of the Group financial position, performance and cash flows.

b) Associates

Associates are entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of an entity. Investments in associates are accounted for using the equity method and are recognised initially at cost, including directly attributable transaction costs. This includes the Group accounting for its 26.02% interest in Business New Zealand Incorporated as an associate and equity-accounted investee.

The consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of its equity accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in its equity accounted associates, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

c) Revenue

Revenue is recognised when the amount of revenue can be measure reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources ((i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will the entity, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

Non-exchange grants

Non-exchange grant income is recognised as a revenue when received and all ssociated obligations have been met. Where non-exchange grants have been given with conditions attached, income is not recognised until agreed upon services and conditions have been satisfied. Non-exchange grants received for which the conditions have not been met is treated as "income in advance" under current liabilities.

Revenue from exchange transactions

Revenue is classified as exchange when the Group receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Subscriptions

Revenue is recognised over the period of subscription. Amounts received in advance for subscriptions relating to future periods are recognised as a liability until such time that period covering the subscription occurs.

Contract Revenue

Revenue is recognised over the period of the contract and completion of agreed milestones. Amounts received in advance for contract revenue are recognised as a liability until such time that the contracted goods or services are provided.

Export Revenue

Revenue is recognised when the export event occurs. Amounts received in advance for export revenue are recognised as a liability until such time that the service is delivered.

Event and Sponsorship Revenue

Revenue is recognised when the event occurs, including amounts received from event attendees and event sponsors. Amounts received in advance for event and sponsorship revenue are recognised as a liability until such time that the service is delivered.

International Trade Revenue

Revenue arises from the provision of ATA Carnets and Certificates of Origin and is recognised when the agreed service has been provided. Amounts received in advance for international trade revenue are recognised as a liability until such time that the service is delivered.

Secretariat and Facilitation Revenue

Revenue is recognised over the period of the agreement for secretariat and facilitation services. Amounts received in advance for secretariat and facilitation revenue are recognised as a liability until such time that the services are provided.

Training and Conference Revenue

Revenue is recognised when the training event or conference occurs. Amounts received in advance for training and conference revenue are recognised as a liability until such time that the service is delivered.

Other Revenue from Rendering of Services

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Other Revenue from Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Interest income
Finance income comprises interest income on financial assets. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Dividends
Income from dividends is recognised when the Group's right to receive payment is established, and the amount can be reliably measured.

d) Intangible Assets
Intangible assets are initially measured at cost. All of the Group's intangible assets are subsequently measured in accordance with the cost model, being cost less accumulated amortisation and impairment, except for intangible assets with indefinite useful lives.

Including the trademarks and logos of the Group, which are not amortised and instead tested for impairment.

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each intangible asset. Impairment losses are recognised in surplus or deficit.

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

e) Property, Plant and Equipment
Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The Group does not own any buildings.

Additions and Subsequent Costs
Subsequent costs and the cost replacing part of an item of property, plant and is recognised as an asset if, it is probable that future economic benefits or services potential will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of property, plant and equipment is disposed of, the gain or loss loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation
Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight-line basis, unless stated otherwise on all property, plant and equipment over the estimated life of the asset. The following depreciation rates have been applied:

Asset Category	Depreciation Rate & Method
Office Fit-out	10-11% SL
Furniture	8-40% SL
Equipment	4-67% SL
Computer Hardware	30-40% SL

The residual value, useful life, and depreciation methods of property, plant and equipment are reassessed annually.

f) Operating Leases
Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases.

Operating leases are not recognised in the Group's statement of financial position. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

g) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

h) Term Deposits
Term deposits are short term investments which have a term of greater than three months but less than twelve months and do not fall into the category of cash and cash equivalents.

i) Financial Instruments
The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies financial assets into the following categories:

- Loans and receivables
- Available-for-sale

The Group classifies financial liabilities as amortised cost.

Financial instruments are initially measured at fair value plus directly attributable transaction costs. Subsequent measurement is dependent on the classification of the financial instrument and is specifically detailed in the accounting policies below.

The fair value of financial instruments that are traded in active markets at each date is determined by reference to quoted market prices, without any deduction for transaction costs. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, term deposits, and debtors including amounts held to meet liabilities for carnet indemnities.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as cash and cash equivalents.

Available-for-sale financial assets are subsequently measured at fair value with gains or losses (other than foreign exchange gains or losses) recognised in other comprehensive revenue and expense.

Available-for-sale financial assets comprise equity securities and debt securities.

Amortised cost financial liabilities
Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise creditors.

Impairment of non-derivative financial assets
A financial asset not subsequently measured at fair value through surplus or deficit is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

For an equity security classified as an available-for-sale financial asset, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

For financial assets classified as loans and receivables and measured at amortised cost, the Group considers evidence of impairment at both a specific asset and collective level.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in surplus or deficit and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through surplus or deficit.

Individual debtors that are known to be uncollectible are written off when identified, along with associated allowances. Loans, together with associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been mortiza or has been transferred to the Group.

For financial assets classified as available-for-sale, impairment losses are recognised by reclassifying the losses accumulated in the fair value reserve in net assets/equity to surplus or deficit.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

In the case of debt instruments classified as available-for-sale, the impairment is assessed based on the same criteria as financial assets at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit.

The cumulative loss that is reclassified from the fair value reserve in net assets/equity to surplus or deficit is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in surplus or deficit.

Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive revenue and expense.

j) Goods and Services Tax (GST)
The Consolidated Statement of Comprehensive Revenue & Expense and the Consolidated Statement of Financial Position have been prepared on a GST exclusive basis except for Accounts Receivable and Accounts Payable which are GST inclusive.

k) Foreign Exchange
Foreign currency transactions are translated to New Zealand Dollars (NZD) at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to NZD at the foreign exchange rate ruling at the date. Foreign exchange differences arising on their translation are recognised in the surplus or deficit.

l) Short Term Employee Benefits
Employee benefits previously earned from past services, that the Group expect to wholly settled within 12 months of reporting date are measured based on aacrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

m) Statement of Cash Flows
For the purpose of the Consolidated Statement of Cash Flows, cash flows include cash and cash equivalents and term deposits.

The following terms are used in the Consolidated Statement of Cash Flows:

- Operating activities are the principal revenue producing activities and other activities that are not investing or financing activities.
- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- Financing activities are the activities that result in changes in the size and compositionof the contributed equity and borrowings.

n) Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in surplus and deficit loss except to the extent that it relates to items recognised directly in equity or in other comprehensive revenue and expense, when it will be recognised in equity or other comprehensive revenue and expense respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Any deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

5) INTEREST INCOME

	2023	2022
	$	$
Interest income – From loans, receivables and available-for–sale financial assets	227,599	139,667
Total Interest Income	227,599	139,667

6) OTHER INCOME

	2023	2022
	$	$
Advertising	15,679	3,711
Miscellaneous Income	16,728	106,112
Rebates	5,649	3,759
Room Hire Revenue	26,349	15,557
Total Other Income	**64,405**	**129,139**

7) TRADING ACTIVITIES

	2023	2022
	$	$
Trading Revenue		
Contract Revenue	398,142	195,017
Export Revenue	274,846	168,627
Event & Sponsorship Revenue	202,050	107,887
International Trade	557,386	460,103
Secretariat and Facilitation Revenue	91,046	158,833
Training & Conferences	704,873	646,747
Other trading revenue	-	7,255
Total Trading Revenue	**2,228,343**	**1,744,469**
Trading Expenditure		
Contract Expenses	32,727	671
Export Expenses	100,192	80,388
Event and Sponsorship Expenses	109,304	53,737
International Trade Expenses	72,957	66,263
Training and Conference Expenses	309,858	297,240
Other trading expenses	-	18,651
Total Trading Expenses	**625,038**	**516,950**
Net Trading Activities	**1,603,305**	**1,227,519**

8) EMPLOYEE RELATED COST

	2023	2022
	$	$
Salaries and Wages	2,183,225	2,077,897
KiwiSaver Contributions	40,044	56,867
Total Employee Related Costs	2,223,269	2,134,764

9) ASSOCIATES

The Group holds significance over the following entities, all of which are accounted for using the equity method:

	Voting Rights	
	2023	2022
	%	%
Business New Zealand Incorporated	26.02	26.02

All associates have the same reporting date as the Group, being 30 June.
There are no significant restrictions regarding the distribution of dividends or repayments of loans from associates.There were no contingent liabilities in relation to the Group's associates as at reporting date (2022: nil)
The Group holds a 26.02% interest in Business New Zealand Incorporated (2022: 26.02%). Management have determined that the Group has significant influence over Business New Zealand Incorporated, but not control, as another entity has a 51.60% interest in Business New Zealand Incorporated (see note 10).

10) RELATED PARTY TRANSACTIONS

The key management personnel of the Group are the Directors, Chief Executive Officer, Programmes & Capability Development Manager, and Marketing & Membership Manager. The positions of Marketing Manager and Membership Manager were merged into the position of Marketing & Membership Manager during the year ended 30 June 2023.

There was no Directors remuneration paid for the year ended 30 June 2023 (2022: $nil).

The Chief Executive Officer, Programmes & Capability Development Manager, and Marketing & Membership are employed as employees of the Group, on normal employment terms. The aggregate level of remuneration paid and number of persons (full time-equivalents' (FTE's)) are as follows:

	2023	2022
Total remuneration	581,303	578,911
Number of person	3	4

Remuneration/compensation provided to close family members of key management personnel Total remuneration and compensation of $Nil (2022: $Nil) was provided by the Group to employees who are close family members of key management personnel during the reporting period.

Group Interest in Business New Zealand Incorporated (see note 9)

The Group has a 26.02% interest in Business New Zealand Incorporated. Business New Zealand Incorporated is an associate and equity-accounted investee of the Group.

The Group has accounted for its investment in Business New Zealand Incorporated at $412,532 for the reporting period (2022: $377,146). The respective share of profit in Business New Zealand Incorporated of $35,386 for the reporting period (2022: $49,821) is reported in the consolidated Statement of Comprehensive Revenue & Expense for the year.

During the reporting period, the Group paid levies to Business New Zealand Incorporated of $439,614 (2022: $439,615). At 30 June 2023 the Group owed levies of $13,225 to Business New Zealand Incorporated (2022: $42,130). Amounts owed are on normal commercial terms and no interest is charged between the entities.

During the 30 June 2023 reporting period, Business New Zealand Incorporated paid $nil to the Group for accounting services provided (2022: $95,833). At 30 June 2023 Business New Zealand Incorporated owed $nil to the Group for accounting services (2022: $nil). Amounts owed are on normal commercial terms and no interest is charged between the entities.

Group Interest in Taiwan New Zealand Trade Development Limited

Taiwan New Zealand Trade Development Limited is 100% owned by Wellington Regional Chamber of Commerce Limited on the basis that the shares are held in a fiduciary capacity only. Accordingly, transactions or balances relating to this company are not consolidated.

11) FEES PAID TO AUDITOR'S FIRM

Grant Thornton Wellington Audit Limited was a ppointed as the Group's auditor for the 2023 reporting period. Total fees paid to the previous auditor, BDO, during the year ended 30 June 2023 were $42,339 (2022: $39,525).

The fees for the year ended 30 June 2023 were comprised of $77,039 (2021: $39,525) for audit fees.

12) LEASES

As at the reporting date, the Group has entered into the following non-cancellable operating leases (as the lessee):

	2023	2022
	$	$
Within one year	254,450	196,037
Within two years	282,751	39,676
Within three years	310,123	9,202
Within four years	344,181	3,664

The Group's lease of its premises at Level 7, JacksonStone House, Wellington, comprises a significant portion of its non-cancellable operating leases. This lease expires in July 2023. A new lease for Level 13, NTT Towers was entered into from July 2023.

As at the reporting date, the Group had not entered into any non-cancellable operating sublease (as lessor).

13) INTANGIBLES ASSETS

	Trademarks and Logos	Totals
Cost		
Balance at 1 July 2021	28,742	28,742
Balance as at 30 June 2022	**28,742**	**28,742**
Accumulated Amortisation		
Balance at 1 July 2021	-	-
Amortisation for year	-	-
Balance as at 30 June 2022	-	-
Cost	28,742	28,742
Accumulated Amortisation	-	-
Book Value at 30 June 2022	**28,742**	**28,742**
Cost		
Balance at 1 July 2022	28,742	28,742
Balance as at 30 June 2023	**28,742**	**28,742**
Accumulated Amortisation		
Balance at 1 July 2022	-	-
Amortisation for year	-	-
Balance as at 30 June 2023	**-**	**-**
Cost	**28,742**	**28,742**
Accumulated Amortisation	-	-
Book Value at 30 June 2023	**28,742**	**28,742**

14) PROPERTY, PLANT AND EQUIPMENT

	Office Fit Out	Furniture & Equipment	Computer Hardware	Totals
Cost				
Balance at 1 July 2021	76,094	211,882	135,678	423,654
Disposals	-	-34,744	-15,236	-49,980
Balance as at 30 June 2022	76,094	177,138	120,442	373,674
Accumulated depreciation				
Balance at 1 July 2021	33,115	130,217	117,958	281,290
Depreciation for year	8,455	16,424	13,754	38,633
Disposals	-	-33,060	-15,237	-48,297
Balance as at 30 June 2022	41,570	113,581	116,475	271,626
Cost	76,094	177,138	120,442	373,674
Accumulated depreciation	41,570	113,581	116,475	271,626
Book Value at 30 June 2022	34,524	63,557	3,967	102,048
Cost				
Balance at 1 July 2022	76,094	177,138	120,442	373,674
Additions	-	47,600	-	47,600
Balance as at 30 June 2023	76,094	224,738	120,442	421,274
				-
Accumulated depreciation				
Balance at 1 July 2022	41,570	113,581	116,475	271,626
Depreciation for year	8,454	26,988	3,967	39,408
Disposals	-	-6,377	-	-6,377
Balance as at 30 June 2023	50,024	134,192	120,442	304,657
Cost	76,094	224,738	120,442	421,274
Accumulated depreciation	50,024	134,192	120,442	304,657
Book Value at 30 June 2023	26,070	90,546	0	116,617

15) FINANCIAL INSTRUMENTS

The tables below show the carrying amount of the Group's financial assets and financial liabilities.

Group - 30 June 2023

		Carrying amount ($)		
		Financial Assets		Financial Liabilities
	Notes	Loans & receivables	available for Sale	Amortised Cost
Subsequently measured at fair value:				
Securities:				
Debt (New Zealand publicly listed)			3,858,123	
Equity (New Zealand publicly listed)			2,526,650	
Equity (Australia publicly listed)			1,300,237	
Equity (Global (excl. Australia) publicly listed)			2,343,701	
Subsequently not measured at fair value				
Cash and cash equivalents	16	1,164,699		
Term Deposits	17	51,401		
Debtors	18	826,257		
Creditors				**699,328**
		2,042,356	**10,028,711**	**699,328**

Group - 30 June 2022

		Carrying amount ($)		
		Financial Assets		Financial Liabilities
	Notes	Loans & receivables	available for Sale	Amortised Cost
Subsequently measured at fair value				
Securities:				
Debt (New Zealand publicly listed)			3,733,847	
Equity (New Zealand publicly listed)			2,513,772	
Equity (Australia publicly listed)			1,194,880	
Equity (Global (excl. Australia) publicly listed)			2,362,449	
Subsequently not measured at fair value				
Cash and cash equivalents	16	995,075		
Term Deposits	17	642,405		
Debtors	18	1,104,436		
Creditors				**474,938**
		2,741,916	**9,804,948**	**474,938**

	2023	2022
Securities – Current vs. Non-Current	**$**	**$**
Current	779,168	755,707
Non-Current	9,249,543	9,049,241
	10,028,711	**9,804,948**

16) CASH AND CASH EQUIVALENTS

	2023	2022
Cash and Cash Equivalents	**$**	**$**
Cash at Bank	335,384	342,770
Cash in Jarden Call Accounts	829,315	652,305
Total Cash and Cash Equivalents	**1,164,699**	**995,075**

There are no restrictions over any of the cash and cash equivalent balances held by the Group.

17) TERM DEPOSITS

	2023	2022
	$	**$**
Term Deposits		
Term Deposits – maturing within 12 months of reporting date	51,401	642,405
Total Term Deposits	**51,401**	**642,405**

Term deposits held by the Group at 30 June 2023 had effective interest rates of 5.95%, and terms of 365 days.

18) DEBTORS

	2023	2022
	$	**$**
Trade Debtors	680,676	1,016,213
Other Debtors	145,580	88,223
Total Debtors	**826,257**	**1,104,436**

Trade debtors are generally payable on invoice, of a short term duration and not discounted.

19) CARNET INDEMNITIES

An ATA Carnet is an international customs document that facilitates the temporary export of good overseas and is valid for up to one year.

Carnets are issued and guaranteed by national organisations around the world. Wellington Regional Chamber of Commerce Limited, an entity within the Group, is the sole guaranteeing and issuing association for New Zealand.

Entities that have been issued with a carnet from the Group are either required to lodge a deposit with the Group until the carnet is returned, or to provide a bank indemnity for the Group to make an appropriate recovery if required to do so.

As the Group acts as an agent in all aspects for transactions related to carnets, no amounts arising from carnets are recorded in the Group's Consolidated Statement of Comprehensive Revenue & Expense, Consolidated Statement of Changes in Net Assets/Equity, Consolidated Statement of Financial Position or Consolidated Statement of Cash Flows. This includes cash at bank and term deposits held for Carnet Indemnities, which have restrictions on their use.

As the reporting date the Group held the following assets for carnet indemnities:

	2023	2022
Term Deposits	**$**	**$**
Cash at bank	2,648,178	617,073
Term Deposits – maturing within 12 months of reporting date	850,000	1,350,000
Bank indemnities valid for 31 months	13,565,294	7,754,466
Bank indemnities valid indefinitely	687,625	703,535
Total	**17,751,096**	**10,425,074**

The Group has corresponding liabilities for these assets.

20) GUARANTEES

The Group has provided a bond option to the International Bureau of Chamber for $100,000 USD (2022: $100,000 USD) as a guarantee to conduct international trade activities. This bond option expires on 22 February 2024 but continues to roll over yearly.

As the bond option is not yet exercised, the Group has not recognised any financial assets or liabilities in respect of the financial guarantee provided. The Group has not recognised any loss allowance for expected credit losses (2022: nil) for this guarantee.

21) INCOME TAX

	2023	2022
	$	**$**
Current Tax	-	-
Deferred Tax Income / (Expense)	20,190	84,140
Total Income Tax Expense	**20,190**	**84,140**
Profit before taxation	**-322,323**	**-1,770,331**
Tax Expense @28%	**-90,250**	**-495,693**

Plus / (less) tax effect of:		
Non-assessable (Gains) / Losses from Available-for-sale Financial Assets	-117,420	410,637
Non-assessable Foreign Investment Fund distributions	-434,508	-441,317
Foreign Investment Fund Income	-9,327	-8,537
Non-assessable Portfolio Investment Entity Income	35,692	50,587
Non-deductible expenses	533,501	505,783
PIE Income	-2,788	-3,575
Other	6,409	-
Imputation Credits utilised	-8,100	-
Imputation Credits converted to loss	-18,936	-21,700
Recognition of tax losses	-25,757	-148,112
Utilisation of tax losses	151,676	62,440
Prior Period Adjustment	-	5,347
Total Income Tax Expense/(Income)	**20,190**	**-84,140**

Deferred Tax Asset / (Liability)		
Recognition of tax losses	130,686	148,112
Imputation Credits converted to loss	18,936	21,700
Deferred Tax Balance	**149,622**	**169,812**

At 30 June 2023 the Group had $7,985,634 of unrecognised tax losses (2022: $7,682,345).

22) EVENTS SUBSEQUENT TO BALANCE DATE

There is no other matter or circumstance that has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group.

23) CAPITAL EXPENDITURE COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2023 there was no committed capital expenditure (2022: nil).

As at 30 June 2023 there was no contingent liabilities (2022: nil).