FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361

FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2017

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FINANCIAL COUNSELLING AUSTRALIA LIMITED
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DIRECTORS' REPORT

The directors of Financial Counselling Australia Limited present their report together with the financial statements for the year ended 30 June 2017 as follows:

Directors' details
The following persons were directors of Financial Counselling Australia Limited during or since the end of the financial year.

Carmel Franklin	Commenced 29th June 2016
Kay Dilger	Commenced 29th June 2016
John Harte	Commenced 29th June 2016
Rosalyn Williams	Commenced 29th June 2016
Jodie Logovik	Term ended 31st January 2017
Jocelyn Furlan	Appointed 1st February 2017
Greg Tanzer	Appointed 1st February 2017
Tony Robinson	Appointed 1st February 2017

All members of the board are volunteers and receive no payment for their work as board and committee members. Board members are reimbursed expenses that are incurred in the course of their duties as board members in accordance with company policy. Furthermore, reasonable costs may be incurred from time to time to ensure the continued professional development of board members.

Principal Activities
Financial Counselling Australia is the peak body for financial counsellors in Australia. We support the financial counselling profession by providing the tools and resources to help financial counsellors in their work and ensure their voices are heard in national debates. We also advocate on behalf of the clients of financial counsellors for a fairer marketplace that will prevent financial problems in the first place.

Short-Term Objectives
The Entity's short-term objectives are to:

1. Establish the Financial Counselling Foundation
2. Maintain/increase current government funding for financial counselling services
3. Improve the password-protected website for financial counsellors
4. Coordinate training and professional development for the financial counselling sector, particularly when assisting clients with complex needs

Long-Term Objectives
The Entity's long-term objectives are to:

1. Build and support the financial counselling profession
2. Increase access to financial counselling services
3. Coordinate the National Debt Helpline
4. Improve financial counselling service delivery
5. Raise the profile of financial counselling in the community and with decision-makers
6. Advocate for fair treatment of financial services consumers

DIRECTORS' REPORT (cont.)

Review of operations

Financial Counselling Australia total income was $2,029,011 for FY2017 (FY 2016 $2,054,043). Financial Counselling Australia delivered a surplus for the year of $501,348 (FY 2016 $743,004). Financial Counselling Australia Limited uses surplus funds to invest into policy and advocacy and specific projects as agreed by the board.

Financial Counselling Australia Limited will continue to focus on supporting the financial counselling profession and the clients they assist. During the coming year, Financial Counselling Australia Limited will continue to improve the efficiency and effectiveness of the organisation.

Changes in state of affairs

Financial Counselling Australia Limited was an incorporated association until 29 June 2016. From that date, Financial Counselling Australia Limited converted to a company limited by guarantee. Financial Counselling Australia Limited retained its ABN.

Dividends

As a not-for-profit entity, Financial Counselling Australia Limited does not distribute dividends to its members.

Information about the Directors

Carmel Franklin (Chair)

Qualifications: B.Ed., Dip. Community Services (Financial Counselling), Certificate IV Training and Assessment.

Experience: Carmel has been involved with consumer issues for many years. She is the CEO of CARE Financial Counselling Service and the Consumer Law Centre of the ACT and has worked with the organisation since 1992. Carmel has been the Chairperson of Financial Counselling Australia (FCA) since 2009.

Carmel is also a consumer director on the board of the Financial Ombudsman Service (FOS). She is a former member of the ATO Individual Tax Liaison Group, ASIC's Consumer Advisory Panel, the FOS Consumer Liaison Group and a former director of Canberra Community Law.

Kay Dilger

Qualifications: Dip. Community Services (Welfare), Dip. Community Services (Financial Counselling), Certificate IV Training and Assessment, Advanced Diploma of Community Sector Management.

Experience: Kay came to Financial Counselling in 2003 after a career in retail banking. She is currently Manager of the Financial Resilience Program at South East Community Links in Springvale, Victoria. Kay has been on the Board of Financial Counselling Australia since 2013, and has been Secretary of Financial & Consumer Rights Council since 2012.

John Harte

Qualifications: B.A. (Social Sciences)

Experience: John has worked in the community sector in Western Australia for over 25 years, including roles with services assisting migrants, people caring for dementia sufferers and in child protection. He has been a financial counsellor since 1994, including 10 years coordinating a financial counselling service. He was the chair of community childcare centre for two years and on the committee of the Financial Counselling Resource Project for 12 years. He is currently on the board of the Financial Counsellors Association of W.A.

DIRECTORS' REPORT (cont.)

Rosalyn Williams

Qualifications: B. Social Science (Social Welfare), Dip. Management Dip. Community Services (Financial Counselling), Advanced Cert. Community Services (Community Development), Cert IV Training and Assessment.

Experience: Rosalyn is currently the Service Manager, Financial Health Services, Uniting Care Wesley Bowden. Previous roles have included policy development, community development, financial counselling and family support. She is also on the board of the South Australian Financial Counsellors Association and is a member of the Essential Services Policy Advisory Group for the South Australian Council of Social Service and is FCA's representative on ASIC's Consumer Advisory Panel.

Special responsibilities: Member of the Finance, Audit and Risk Committee

Jocelyn Furlan

Qualifications: LL.B, B.Com, Dip Fin Planning

Experience : Jocelyn is a lawyer and an accountant, with more than 25 years' experience in the superannuation industry. She is a director of First State Super and Strathcona Baptist Girls Grammar School, a member of the Australian Institute of Company Directors and Chair of Superlife, a charitable community of interest for the superannuation industry.

Special responsibilities: Chair of the Finance, Audit and Risk Committee

Greg Tanzer

Qualifications: B.E, LL.B (Hons)

Experience: Greg was most recently a Commissioner at the Australian Securities and Investments Commission. Prior to this role he worked as Secretary-General of the International Organisation of Securities Commissions. He has significant experience in regulation, governance and policy development.

Tony Robinson

Qualifications: B.A, M.A.

Experience: Tony is currently the Senior Manager Financial Inclusion for the Brotherhood of St Laurence. Before this he served as a Victorian MP for 13 years, including four years in Cabinet, as Minister for Consumer Affairs. Tony is also on the board of the Migrant Information Centre.

Special responsibilities : Member of the Finance, Audit and Risk Committee

DIRECTORS' REPORT (cont.)

Directors' Meetings

The number of meetings of Directors' (including meetings of committees) held during the year, and the number of meetings attended by each director, are as follows:

Board Member	Meetings entitled *to attend*	Meetings attended
Carmel Franklin	6	6
Kay Dilger	6	6
John Harte	6	6
Rosalyn Williams	6	6
Jodie Logovik	4	4
Jocelyn Furlan	2	2
Greg Tanzer	2	2
Tony Robinson	2	2

Contribution in Winding up

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up the constitution states that:
"each memer is required to contribute an amount not exceeding $10 to the Company's property if the Company is wound up while they are a member or within a year after they cease to be a member."

At 30 June 2017, the total amount that members of the Company are liable to contribute if the Company is wound up is $70 (2016: $80).

Auditors Indepence Declaration

A copy of the Auditor's Independence Declaration is included in page 5 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Directors':

Director
Dated: 9/9/17

Director
Dated: 10.9.17

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Financial Counselling Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001,* as lead auditor for the audit of Financial Counselling Australia Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* , in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Dated: 11TH SEPTEMBER 2017
Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Income			
Revenue	2	2,029,011	2,054,043
Expenses			
Administration Expenses		(331,464)	(320,238)
Employment Expenses		(573,160)	(396,169)
Event Expenses		(229,555)	(191,132)
Project Funding & Expenses		(393,484)	(403,500)
Surplus / (deficit) before income tax		501,348	743,004
Income tax expense		-	-
Surplus / (deficit) for the year		501,348	743,004
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income / (loss) for the period		501,348	743,004

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	3	3,300,388	1,268,725
Trade and other receivables	4	16,446	32,406
TOTAL CURRENT ASSETS		3,316,834	1,301,131
NON-CURRENT ASSETS			
Property, plant & equipment	5	19,498	16,489
TOTAL NON-CURRENT ASSETS		19,498	16,489
TOTAL ASSETS		3,336,332	1,317,620
CURRENT LIABILITIES			
Trade and other payables	6	391,098	50,654
Grants Received in Advance	7	338,622	322,711
Revenue Received in Advance	8	1,165,494	24,756
Provisions	9	70,953	50,682
TOTAL CURRENT LIABILITIES		1,966,167	448,803
TOTAL LIABILITIES		1,966,167	448,803
NET ASSETS		1,370,165	868,817
EQUITY			
Retained profits		1,370,165	868,817
TOTAL EQUITY		1,370,165	868,817

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Retained Earnings	Total
	$	$
Balance at 1 July 2015	125,813	125,813
Profit attributable to the entity	743,004	743,004
Balance at 30 June 2016	868,817	868,817
Profit attributable to the entity	501,348	501,348
Balance at 30 June 2017	1,370,165	1,370,165

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants Received		955,164	1,061,220
Interest Income		7,538	3,323
Other Income		2,232,042	1,170,438
Payments to clients, suppliers and employees		(1,155,437)	(1,267,969)
Net Cash provided by operating activities	10	2,039,307	967,012
INVESTING ACTIVITIES		(7,644)	(12,944)
Net Cash provided by (used in) investing activities		(7,644)	(12,944)
Net increase (decrease) in cash held		2,031,663	954,068
Cash at the beginning of the year		1,268,725	314,657
Cash at the end of the year	3	3,300,388	1,268,725

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

Note 1: General information and statement of compliance
Financial Counselling Australia Limited has elected to apply Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.
Financial Counselling Australia Limited is a not-for-profit entity for the purpose of preparing the financial statements.

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

The financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Directors on 30 September 2017.

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

a. Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Income Tax
No provision for income tax has been raised, as the entity is exempt from income tax under Div. 50 of the Income Tax Assessment Act 1997.

c. Property, Plant and Equipment
Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Note 1: Summary of accounting policies

c. Property, Plant and Equipment (cont.)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and other equipment. The following useful lives are applied:

Class of Fixed Assets	**Useful Lives**
Plant and Equipment	2.5 - 10 years
Leasehold Improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. Employee Entitlements

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments

Note 1: Summary of accounting policies (cont.)

d. Employee Entitlements (cont.)

Other long-term employee benefits (cont.)

incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

e. Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expenses to the income statement.

g. Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

Note 1: Summary of accounting policies (cont.)

h. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant Income

Grant income received, other than for specific purposes, is brought to account for the period to which the grant relates.

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

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

i. Goods and Services Tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

j. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expenses to profit or loss immediately.

Note 1: Summary of accounting policies (cont.)

j. Financial Instruments (cont.)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

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

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Note 1: Summary of accounting policies (cont.)

j. **Financial Instruments (cont.)**

Classification and subsequent measurement

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income.

When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Note 1: Summary of accounting policies (cont.)

j. Financial Instruments (cont.)

Derecognition

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

Classification and subsequent measurement of financial liabilities

Financial liabilities include borrowing and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

k. Economic dependence

The company is dependent upon the ongoing receipt of Federal and State Government grants and other grants to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

l. Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Note 1: Summary of accounting policies (cont.)

l. Significant management judgement in applying accounting policies (cont.)

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2017	2016
	$	$
Note 2: Revenue		
Grants	939,253	812,802
Donations	251,250	1,000
Enforecable undertakings from ASIC	220,089	500,000
Sponsorships	260,711	227,088
Conference Income	271,693	247,576
Other	77,695	262,254
	2,020,691	2,050,720

Donations were received during the 2017 financial year from ANZ Banking Group totalling $251,250. Financial Counselling Australia intends to use these funds to establish a foundation to benefit community organisations providing financial counselling services. This is planned to occur in the 2018 financial year.

	2017	2016
Other income:		
- interest	8,320	3,323
	8,320	3,323
	2,029,011	2,054,043

	2017	2016
Note 3: Cash and cash equivalents		
Commonwealth Bank- Cheque Account	1,030,189	226,064
Commonwealth Bank- Cash Management Account	2,270,199	1,042,661
	3,300,388	1,268,725

	2017	2016
Note 4: Trade & other receivables		
Accounts receivable	6,377	16,243
Prepayments	6,571	9,000
Other Receivables	782	-
Deposit- Conference	-	4,447
Deposit- Cab Charge	1,000	1,000
Deposit- Tenancy	1,716	1,716
	16,446	32,406

	2017	2016
Note 5: Fixed Assets		
Office Equipment at Cost	32,044	24,400
Less Accumulated Depreciation	(12,546)	(7,911)
	19,498	16,489

The company's trade and other receivables have been reviewed for indictors of impairment. No trade receivables were found to be impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017

	2017 $	2016 $
Note 6: Payables		
Trade Creditors & Accruals	333,763	9,491
Credit Card	8,976	10,017
GST Payable	47,792	15,105
PAYG Tax Payable	-	5,096
Super Payable	567	10,945
	391,098	50,654
Note 7: Grant received in advance		
Grant- Dept of Social Services - Workforce Strategy	334,548	-
Grant- Dept of Social Services- e learning	-	214,976
Grant- Financial Literacy Australia- Helpline	-	59,523
Grant- Financial Literacy Australia- Prisons Project	-	42,197
Grant- Dept of Social Services- BSWAT	4,074	6,015
	338,622	322,711
Note 8: Revenue Received in advance		
Conference Fees	-	24,756
CBA Funds	400,000	-
BMW Funds	765,494	-
	1,165,494	24,756
Note 9: Provisions		
CURRENT		
Provision for annual leave	29,159	30,166
Provision for Long Service Leave	41,794	20,516
	70,953	50,682

	2017 $	2016 $
Note 10: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit after income tax	501,348	743,004
Cash flows excluded from operating profit attributable to operating activities:		
Non-cash flows in profit		
- Depreciation	4,635	2,357
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other debtors	15,960	6,498
- Increase/(decrease) in trade and other payables	340,444	6,623
- Increase/(decrease) in provisions	20,271	40,588
- Increase/(decrease) in other liabilities	1,156,649	167,942
Net cash provided by Operating Activities	2,039,307	967,012

Note 11: Operating Leases

The company's future minimum operating lease payments are as follows:

	Within 1 year $	1 to 5 years $	After 5 years $	Total $
30 June 2017	22,937	50,769	-	73,706

Lease expense during the period amounted to $20,173 representing the minimum lease payments.

The property lease commitment is a non-cancellable operating lease with a lease term of 5 years. Increases in lease commitments will occur at a rate of 4% over the previous years rent in accordance with the agreement.

Note 12: Events After The Reporting Period

The Directors are not aware of any significant event since the end of the reporting period.

Note 13: Member's Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstandings and obligations of the entity. At 30 June 2017 the number of members was 8 (2016: 8).

Note 14: Company Details

The registered office of the company is:
Financial Counselling Australia
Level 6, 179 Queen Street
Melbourne VIC 3000.

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361

DIRECTOR'S DECLARATION

In the opinion of the Directors of Financial Counselling Australia Limited:

1. The financial statements and notes, as set out on pages 1 to 20 are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

   (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations)

2. There are reasonable grounds to believe that Financial Counselling Australia Limited will be able to pay its debts as and when they become due and payable.

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

Director

Dated: 9/9/17

Director

Dated: 10.9.17

Sean Denham & Associates
Accountants & Auditors

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
FINANCIAL COUNSELLING AUSTRALIA LIMITED

Opinion

I have audited the accompanying financial report, of Financial Counselling Australia Ltd., which comprises the statement of financial position as at 30 June 2017, statement of changes in equity, statement of cash flows and the statement of comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of Financial Counselling Australia Ltd. has been prepared in accordance with *Corporations Act 2001*, including:

a) giving a true and fair view of the company's financial position as at 30 June 2017 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

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board for the Financial Report

The board of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements and the needs of the members. The board's responsibility also includes such internal control as the board determine is necessary to enable the preparation of a 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 board are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 board.

- Conclude on the appropriateness of responsible entities' 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 I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Sean Denham

Dated: 11TH SEPTEMBER 2017
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039