

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**

**ABN 67 073 167 361**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes In Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	22
Independent Auditor's Report	23

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**DIRECTORS' REPORT**

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The Board of Directors presents their report on the Company for the financial year ended 30 June 2021.

**Directors**

The names of members of the Board of Directors in office at any time during or since the end of the year are:

**Name**

Carmel Franklin	<i>Commenced 29th June 2016</i>
Jocelyn Furlan	<i>Appointed 1st February 2017</i>
Greg Tanzer	<i>Appointed 1st February 2017</i>
Tony Robinson	<i>Appointed 1st February 2017</i>
Anne Crouch	<i>Appointed 22nd November 2018</i>
Kylie Holford	<i>Appointed 27 February 2020</i>
Lyndall Millburn	<i>Appointed 16 November 2020</i>
Kay Dilger	<i>Commenced 29th June 2016 / Retired 16 November 2020</i>

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

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. We support the financial counselling profession by providing tools and resources to help financial counsellors in their work and also ensure that 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. FCA also supports the work of financial capability workers around Australia.

FCA also coordinates the 10 agencies that collectively deliver the National Debt Helpline financial counselling service. FCA runs the equivalent service for small business – the Small Business Bushfire Financial Counselling Support Line.

**Short-Term Objectives**

The Entity's short-term objectives are to:

1. Work collaboratively with industry and government to implement the Sylvan Review of financial counselling so that the financial counselling sector has predictable and stable funding. The focus continues to be the detail of the model, including the establishment of an independent body to oversee the funding.
2. Continue to deliver the various initiatives that increase the capacity of the sector to respond to the coronavirus pandemic (see Review of Operations).
3. Work collaboratively with the State and Territory financial counselling associations in relation to policy issues, training and in lifting professional standards for the financial counselling sector.
4. Coordinate and support the work of financial capability workers and provide training and resources to them.
5. Deliver the small business telephone financial counselling service.

**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, including through increased funding.
3. Raise the profile of financial counselling.
4. Advocate for fair treatment.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
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**DIRECTORS' REPORT**

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**Review of Operations**

FCA received a significant injection of funding from the Federal Government in this financial year to help build the capacity of the financial counselling sector to respond to the coronavirus pandemic. We appreciate the trust the government placed in us to do this.

This additional funding, and the projects it enabled, will come to fruition over two years, with this year seeing our organisation return a substantial surplus, followed by a substantial, and probably equivalent deficit, in the following financial year.

All of the projects we initiated were placed within an overarching performance framework, underpinned by separate program logics.

The aim of a number of projects were to increase the number of trained and competent financial counsellors, as we expected demand for financial counselling to increase. These were also designed to address the perennial problem of the lack of a pipeline of new financial counsellors as well as agencies being able to access a larger pool of existing financial counsellors. The projects that did this were:

- Intern project – funding of \$25K was provided to agencies that employed people who were studying the Diploma of Financial Counselling so that they could train and learn on the job. At the end of June 2021, there were 90 interns participating in the project across 57 agencies;
- Upskilling project – this targeted workers already employed in the community sector, who have the aptitude and interest in studying financial counselling. The project provided funding of up to \$5K per person to go toward the cost of the Diploma of Financial Counselling. At the end of June 2021, there were 60 people participating from 32 agencies.
- Simulated placements (Steps) – we also set up a virtual financial counselling agency so that people studying the Diploma of Financial Counselling could complete their 220 hours of placement. Due to the pandemic, many financial counselling agencies were unable to deliver services face to face and it was difficult for students to find a placement. At the end of June 21, three cohorts of students had completed, or were in the process of completing their placements. This project assisted around 120 people.

We also invested in projects to increase access to financial counselling, including a pilot of chat functionality on the National Debt Helpline website.

People cannot access financial counselling if they don't know about it, so we also worked to raise the profile of financial counselling. We promoted financial counselling through mainstream and social media, advertising, for example in doctor's surgeries and the back of buses, and the development of new content on the National Debt Helpline website, particularly on topics related to financial hardship as a result of COVID.

Our final COVID-related project was to ensure that financial counsellors themselves had the necessary tools and resources to do their jobs. We put together a specific website for the sector focusing on COVID-related issues relevant to their work, developed numerous resources and in conjunction with State associations, organised relevant training, including on assisting small business clients and delivering services by phone.

As a whole these projects have meant the financial counselling sector is in a stronger place than at the beginning of the year and we have new models for capacity building that we know will work in the future.

The other major focus for the year was on pursuing an industry funding model for financial counselling. This has been a long-term goal for FCA and the financial counselling sector. The Government remains committed to the model, and has asked the sector for further data to help inform the industry sector split.

The small business telephone financial counselling service we launched in March 2020 has seen increasing usage. With a focus initially on small businesses affected by the bushfires, it was very hard to promote the service given the focus of the community on COVID.

Finally, with what turned out to be exquisite timing, after having to cancel our conference in 2020, we managed to actually hold it in Darwin in May 2021. This turned out to be just before large parts of Australia again went into lockdown. With nearly 600 attendees overall, it was a very successful event and received rave reviews.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**DIRECTORS' REPORT**

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**Information on Directors**

The particulars of the qualifications, experience and special responsibilities of each Director are as follows:

**Carmel Franklin** Chair

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

Experience: Carmel has been involved with consumer issues for many years. She's the CEO of Care in the ACT and has worked with the organisation in various roles since 1992. Carmel has been the chairperson of Financial Counselling Australia (FCA) since 2009.

Carmel is a consumer director on the board of the Australian Financial Complaints Authority and a board member of the ACT Gambling and Racing Commission. She is also a member of the ATO Individual Stewardship Group and Energy Consumers Australia Board Reference Committee.

Special Responsibilities: Member of the Nominations Committee.

**Anne Crouch**

Qualifications: B. Ag Science, Grad Cert Accounting, Dip. Management, Dip. Community Services (Financial Counselling), GAICD.

Experience: Anne is an Executive Manager, Services with Uniting Country SA where she worked as a financial counsellor prior to moving into her leadership role. Anne was the Chair of the South Australian Financial Counselling Association for 6 years and represents FCA at AFSA's Personal Insolvency Stakeholder Forums. She was also a member of the Australian Financial Complaints Authority's Consumer Advisory Panel for 2 years.

Special Responsibilities: Member of the Finance, Audit and Risk Committee.

**Jocelyn Furlan**

Qualifications: LL.B, B. Com, GAICD

Experience: Jocelyn Furlan is a lawyer and an accountant, with more than 25 years' experience in the superannuation industry. She's a director of a number of organisations including Aware Super, and is Chair of Strathcona Baptist Girls Grammar School and Independent Chair of the Customer Owned Banking Code Compliance Committee. She is a graduate member of the Australian Institute of Company Directors. Previous roles include chair of the Superannuation Complaints Tribunal, executive manager corporate of the Victorian Superannuation Board and its predecessor the State Superannuation Board, and company secretary of VicSuper.

Special Responsibilities: Chair of the Finance, Audit and Risk Committee.

**Greg Tanzer**

Qualifications: B.Ec, LLB (Hons)

Experience: Greg is a consultant to financial services regulators and firms, working in Australia with Promontory Australia and overseas with the International Monetary Fund amongst others. From 2012 to 2016 he was a commissioner at the Australian Securities and Investments Commission and from 2008 to 2012 he worked as secretary-general of the International Organisation of Securities Commissions. Greg is a Director of Financial Counselling Foundation Ltd. He has significant experience in regulation, governance and policy development.

Special Responsibilities: Chair of the Nominations Committee

**Tony Robinson**

Qualifications: B.A. (Hon), M.A. (Australian Studies)

Experience: Tony is currently chair of the Ausgrid Reset Customer Panel, a role that helps ensure the electricity distributor's future revenue needs are built around customer needs and expectations. He spent several years managing the Brotherhood of St Laurence's financial inclusion division and prior to this was a Victorian MP for 13 years, including four years in Cabinet, as Minister for Consumer Affairs. Tony also chairs the Migrant Information Centre (Eastern Melbourne).

Special Responsibilities: Member of the Finance, Audit and Risk Committee.

**Kylie Holford**

Qualifications: Diploma in Counselling, Diploma in Community Service (Financial Counselling), Certificate IV in Training and Assessing

Experience: Kylie came to financial counselling in 2014 and has worked as a full-time financial counsellor since. Prior employment was within the Disability / Rehabilitation and Employment sector.

Kylie is a current board director of Financial Counsellors of NSW (FCAN) holding the position of deputy Chair and has previously served as the FCAN State Representative on the Financial Counselling Representative Council. Kylie is a member of the Sylvan Implementation Working Group.

Special Responsibilities: Member of the Nominations Committee.



TOWARDS A VISION SHARED



# Collins & Co Audit Pty Ltd

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF  
FINANCIAL COUNSELLING AUSTRALIA LIMITED  
A.B.N. 67 073 167 361**

I declare that to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii. No contravention of any applicable code of professional conduct in relation to the audit.

**Frederik Ryk Ludolf Eksteen CA  
ASIC Auditor Registration Number 421448**

**Collins & Co Audit Pty Ltd  
127 Paisley Street  
FOOTSCRAY VIC 3011**

**Dated this 11th day of November 2021**

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>REVENUES</b>	2	8,667,602	2,325,166
<b>EXPENSES</b>			
Administration expenses		(632,378)	(482,182)
Amortisation and depreciation expenses		(68,136)	(66,192)
Employee benefits expenses		(3,155,528)	(1,363,589)
Event expenses		(315,571)	(6,625)
Project funding and expenses		(3,688,214)	(421,267)
		<u>807,775</u>	<u>(14,689)</u>
Profit/(loss) attributable to entity		<b>807,775</b>	<b>(14,689)</b>
Other comprehensive income after income tax		-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year, net of tax		<u><b>807,775</b></u>	<u><b>(14,689)</b></u>
Total comprehensive income/(loss) attributable to entity		<u><b>807,775</b></u>	<u><b>(14,689)</b></u>

The income statement is to be read in conjunction with the audit report and the notes to the financial statements.



**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,198,637	3,602,146
Trade and other receivables	4	23,381	67,118
Other current assets	5	13,944	52,062
<b>TOTAL CURRENT ASSETS</b>		<b>5,235,962</b>	<b>3,721,326</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	60,296	61,800
Intangible assets	7	157,280	251,071
<b>TOTAL NON-CURRENT ASSETS</b>		<b>217,576</b>	<b>312,871</b>
<b>TOTAL ASSETS</b>		<b>5,453,538</b>	<b>4,034,197</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	435,071	237,258
Grants received in advance	9	2,389,067	1,530,719
Revenue received in advance	10	227,490	726,893
Provisions	11	389,869	244,562
Lease liabilities	12	34,668	40,650
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,476,165</b>	<b>2,780,082</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	10,000	10,000
Lease liabilities	12	128,748	213,265
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>138,748</b>	<b>223,265</b>
<b>TOTAL LIABILITIES</b>		<b>3,614,913</b>	<b>3,003,347</b>
<b>NET ASSETS</b>		<b>1,838,625</b>	<b>1,030,850</b>
<b>EQUITY</b>			
Accumulated funds		1,626,550	818,775
Reserves		212,075	212,075
<b>TOTAL EQUITY</b>		<b>1,838,625</b>	<b>1,030,850</b>

The balance sheet is to be read in conjunction with the audit report  
and the notes to the financial statements.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated funds \$	General reserves	Total \$
<b>Balance as at 1 July 2019</b>	<b>833,464</b>	<b>212,075</b>	<b>1,045,539</b>
Surplus/ (Deficit) attributable to entity	(14,689)	-	<b>(14,689)</b>
Transfer to general reserves	-	-	-
<b>Balance as at 30 June 2020</b>	<b>818,775</b>	<b>212,075</b>	<b>1,030,850</b>
Surplus/ (Deficit) attributable to entity	807,775	-	<b>807,775</b>
Transfer to general reserves	-	-	-
<b>Balance as at 30 June 2021</b>	<b>1,626,550</b>	<b>212,075</b>	<b>1,838,625</b>

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grants		8,294,930	3,350,406
Receipts from other sources		767,317	1,087,219
Payments to employees and suppliers		(7,401,173)	(2,101,362)
Interest received		4,217	10,610
<b>Net cash generated from/(used in) operating activities</b>	<b>15</b>	<b><u>1,665,291</u></b>	<b><u>2,346,873</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		-	-
Payment for purchase of property, plant and equipment		(25,417)	(46,787)
<b>Net cash (used in)/provided by investing activities</b>		<b><u>(25,417)</u></b>	<b><u>(46,787)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability - leased premises		(43,383)	(50,407)
<b>Net cash used in financing activities</b>		<b><u>(43,383)</u></b>	<b><u>(50,407)</u></b>
<b>Net increase/(decrease) in cash held</b>		<b>1,596,491</b>	<b>2,249,679</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>3,602,146</b>	<b>1,352,467</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>3</b>	<b><u>5,198,637</u></b>	<b><u>3,602,146</u></b>

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies**

The financial statements and notes represent those of Financial Counselling Australia Limited (the Company).

**Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the *Australian Charities and Not for Profits Commission Act 2012* and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

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 the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**a. Property, Plant and Equipment**

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the asset can be measured reliably. All other repairs & maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on the revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**a. Property, Plant and Equipment (continued)**

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	10% - 40%
Leasehold improvements	20%
Right of use asset - leased premises	16%

**b. Impairment of Assets**

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

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

**c. Leases**

**Leased Assets**

For any new contracts entered on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**Measurement and recognition of leases as a lessee**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

**Accounting for Leases under AASB 16**

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**Accounting for Leases under AASB 16 (continued)**

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 5%.

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

**d. 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 sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. 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 (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

**Classification and Subsequent Measurement (continued)**

*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 value with a consequential recognition of an income or expense in profit or loss.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**d. Financial Instruments (continued)**

**Financial assets at fair value through the profit and 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, or where they are 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 Company 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 value being included in profit or loss.

**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.

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

**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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of reporting period. If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments would be tainted and reclassified as available-for-sale.

**Available-for-sale Financial assets**

Available-for-sale financial assets 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 equity of other entities where there is neither fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**Fair value**

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



**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**d. Financial Instruments (continued)**

**Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value 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.

**e. Employee Benefits**

**Short term benefits**

The provisions for employee entitlements to wages, salaries, annual and paid maternity leave represent obligations resulting from employees' services provided up to reporting date, calculated at undiscounted amounts based on wage and salary rates, including related on-costs, which the Company expects to pay at the end of each reporting period.

**Long term benefits**

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date.

**Superannuation**

Superannuation contributions are made by the Company to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Company has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

**f. Provisions**

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**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.

**AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

The Company applies Australian Accounting Standards AASB 15 and AASB 1058.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

Step 1 – Identify the contract with the customer

Step 2 – Identify the sufficiently specific performance obligations to be satisfied

Step 3 – Measure the expected consideration

Step 4 – Allocate that consideration to each of the performance obligations in the contract

Step 5 – Recognise revenue

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1004 Contributions
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

**Donations**

Donations are recognised as revenue when the organisation gains control, economic benefits are probable and the amount of the donation can be measured reliably.

**Interest Received**

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

All receipts are stated net of Goods and Services Tax.

**i. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

**k. Income Tax**

By virtue of its aims as set out in the constitution, the Company qualifies as an organisation specifically exempt from income tax under Section 50 of the *Income Tax Assessment Act 1997*.

**l. Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**m. Critical Accounting Estimates and Judgements**

The Directors evaluate the estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Key Estimates - Impairment (General)**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets.

Where an impairment trigger exists, the recoverable amount of the asset is determined.

**Key Judgements - Provision for Impairment of Receivables**

The management believe that all accounts receivable are recoverable, and therefore no provision for impairment has been made.

**n. New, Revised or Amending Accounting Standards and Interpretations Adopted**

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

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

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
<b>Note 2. Operating Activities: Revenues</b>		
Grants	7,436,582	1,909,671
Donations	80,334	46,190
Sponsorships	417,844	142,364
Conference income	265,016	-
Other income	459,789	216,331
Interest received	4,217	10,610
Gain on change in right of use assets & lease liabilities	3,820	-
<b>Total revenues</b>	<u><u>8,667,602</u></u>	<u><u>2,325,166</u></u>
<b>Note 3. Cash and Cash Equivalents</b>		
Commonwealth Bank of Australia - Cheque Account	107,052	140,220
Commonwealth Bank of Australia - Cash Management Account	4,122,739	2,497,155
Commonwealth Bank of Australia - Term Deposits	968,846	964,771
	<u><u>5,198,637</u></u>	<u><u>3,602,146</u></u>
<b>Note 4. Trade and Other Receivables</b>		
Accounts receivable	23,381	67,118
Less: provision for doubtful debts	-	-
	<u><u>23,381</u></u>	<u><u>67,118</u></u>
<p>The company's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired.</p>		
<b>Note 5. Other Current Assets</b>		
Other receivables	197	1,335
Prepayments	10,931	47,911
Other deposits	1,100	1,100
Rental bonds	1,716	1,716
	<u><u>13,944</u></u>	<u><u>52,062</u></u>
<b>Note 6. Property, Plant and Equipment</b>		
<b>Office equipment</b>		
At cost	118,538	95,553
Accumulated depreciation	(58,242)	(33,753)
	<u><u>60,296</u></u>	<u><u>61,800</u></u>
<b>Total property, plant and equipment</b>	<u><u>60,296</u></u>	<u><u>61,800</u></u>
<b>Note 7. Intangible Assets</b>		
<b>Right of use asset - leased premises</b>		
At cost	192,512	300,624
Accumulated amortisation	(35,232)	(49,553)
	<u><u>157,280</u></u>	<u><u>251,071</u></u>
<b>Total intangible assets</b>	<u><u>157,280</u></u>	<u><u>251,071</u></u>

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
<b>Note 8. Trade and Other Payables</b>		
<b>Current - unsecured</b>		
Accounts payable	180,270	62,230
Accrued expenses	100,214	69,689
Superannuation payable	35,021	5,422
GST (refundable)/payable	74,649	63,737
PAYG withholding tax payable	35,538	30,548
Commonwealth Bank of Australia - credit cards	9,379	5,632
	<u>435,071</u>	<u>237,258</u>
<b>Note 9. Grants Received in Advance</b>		
<b>Current</b>		
Department of Social Services - Bushfire	154,138	455,822
Department of Industry - Small Business Bushfire Financial Support Line	556,049	332,352
Department of Social Services - COVID-19 Additional Core Funding	1,678,880	742,545
	<u>2,389,067</u>	<u>1,530,719</u>
<b>Note 10. Revenue Received in Advance</b>		
<b>Current</b>		
Conference Fees & Sponsorships Received	-	187,874
Commonwealth Bank of Australia	102,490	289,019
Westpac Bank of Australia	125,000	250,000
	<u>227,490</u>	<u>726,893</u>
<b>Note 11. Provisions</b>		
<b>Current</b>		
Annual leave	294,845	154,741
Long service leave	95,024	89,821
	<u>389,869</u>	<u>244,562</u>
<b>Non-current</b>		
Make good on leased premises	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
<b>Note 12. Lease Liabilities</b>		
<b>Current</b>		
Lease liability - leased premises	34,668	40,650
	<u>34,668</u>	<u>40,650</u>
<b>Non-current</b>		
Lease liability - leased premises	128,748	213,265
	<u>128,748</u>	<u>213,265</u>
<b>Note 13. Capital Commitments</b>		

The directors of the company foresee no immediate future capital commitments.

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

	2021 \$	2020 \$
<b>Note 14. Cash Flow Information</b>		
<b>(a) Reconciliation of cash flow from operations with profit after income tax</b>		
Operating surplus/(deficit)	807,775	(14,689)
<b>Non-cash flows in profit</b>		
Amortisation and depreciation expenses	68,136	66,192
Finance charges on leased liability - leased premises	9,280	13,698
Gain on change in right of use assets & lease liabilities	(3,820)	-
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in accounts and other receivables	43,737	(34,559)
Increase/(decrease) in other assets	38,118	(39,145)
Increase/(decrease) in trade and other payables	197,813	116,070
Increase/(decrease) in grants received in advance	858,348	1,440,735
Increase/(decrease) in revenue received in advance	(499,403)	716,893
Increase/(decrease) in provisions	145,307	81,678
Cash flow from operations	<u>1,665,291</u>	<u>2,346,873</u>
<b>(b) Reconciliation of Cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>5,198,637</u>	<u>3,602,146</u>
	<u>5,198,637</u>	<u>3,602,146</u>

**FINANCIAL COUNSELLING AUSTRALIA LIMITEE**  
**ABN 67 073 167 361**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**Note 15. Financial Risk Management**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and bank loans.

The Company does not have any derivative instruments at 30 June 2021.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 \$	2020 \$
<b>Financial Assets</b>			
Cash and cash equivalents	3	5,198,637	3,602,146
Loans and receivables	4	23,381	67,118
		<u>5,222,018</u>	<u>3,669,264</u>
<b>Financial Liabilities</b>			
Trade and other payables	7	435,071	237,258
		<u>435,071</u>	<u>237,258</u>

**(i) Credit Risk**

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

**(ii) Liquidity Risk**

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate borrowing facilities are maintained.

**(iii) Interest Rate Risk**

The finance committee meets on a regular basis to analyse the interest rate exposure in the context of the most recent economic conditions and forecasts.

**Note 16. Company's Details**

The registered office of the company is:

Level 6  
179 Queen Street  
MELBOURNE VIC 3000

The principal place of business of the company is:

Level 6  
179 Queen Street  
MELBOURNE VIC 3000

**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**ABN 67 073 167 361**  
**DIRECTORS' DECLARATION**

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The directors of the company declare that:

1. the financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Australian Charities and Not for Profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards- Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

DocuSigned by:

*Carmel Franklin*

**Director**

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DocuSigned by:

*Joelyn Furlan*

**Director**

45000A2045300E

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**Dated this**

10 November 2021





# Collins & Co Audit Pty Ltd

127 Paisley Street  
Footscray VIC 3011  
Australia

Phone (03) 9680 1000  
Fax (03) 9689 6605

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**FINANCIAL COUNSELLING AUSTRALIA LIMITED**  
**A.B.N. 67 073 167 361**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

## ***Opinion***

I have audited the accompanying financial report of Financial Counselling Australia Limited (the company), which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Board of Directors.

In my opinion, the accompanying financial report of Financial Counselling Australia Limited is in accordance with Division 60 of the ACNC Act 2012, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance and cash flows for the year ended on 30 June 2021; and
- ii. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

## ***Basis of 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 auditor independence requirements of the ACNC Act 2012 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 our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the ACNC Act 2012, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

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

## **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



# Collins & Co Audit Pty Ltd

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

As part of an audit in accordance with 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 registered entity 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 controls that I identify during my audit.

**Frederik Ryk Ludolf Eksteen CA**  
**ASIC Auditor Registration Number 421448**

**Collins & Co Audit Pty Ltd, 127 Paisley Street, FOOTSCRAY VIC 3011**

**Dated this 11th day of November 2021**