

FINANCIAL COUNSELLING AUSTRALIA LIMITED

ABN 67 073 167 361

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

CONTENTS	PAGE
Directors' Report	1
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes In Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	23
Independent Auditor's Report	24

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

The Board of Directors presents their report on the Company for the financial year ended 30 June 2022.

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

Jocelyn Furlan	<i>Appointed 1st February 2017</i>
Greg Tanzer	<i>Appointed 1st February 2017</i>
Tony Robinson	<i>Appointed 1st February 2017/ Resigned 29 November 2021</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>
John Williams	<i>Appointed 29 November 2021</i>
Rob Benton	<i>Appointed 8 December 2021</i>
Carmel Franklin	<i>Commenced 29th June 2016 / Maximum Term completed on 30 November 2021</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 are the national voice for the profession
- advocate on behalf of the clients of financial counsellors for a fairer marketplace that will prevent financial problems
- support the work of financial capability workers around Australia.

FCA also:

- coordinates the 10 agencies that collectively deliver the National Debt Helpline financial counselling service
- operates the equivalent service for small business – the Small Business Debt Line
- manages contracts to expand and enhance access to financial counselling. These projects include the provision of chat on the National Debt Helpline website and the pilot of technology that allows National Debt Helpline financial counsellors to directly book appointments for clients with a face-to-face financial counsellor (the appointment booking project)
- operates Steps, which allows student financial counsellors to complete their placement hours in a simulated environment.

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. Work collaboratively with the State and Territory financial counselling associations on policy issues, training and professional development and in lifting professional standards in the financial counselling sector.
3. Successful implementation of chat on the National Debt Helpline website, the further rollout of the appointment booking project to other states/territories the effective management of Steps and coordination of the financial counselling response in areas affected by the floods in early 2022.
4. Coordinate and support the work of financial capability workers and provide training and resources for 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
ABN 67 073 167 361
DIRECTORS' REPORT

Review of Operations

Continuation of projects initiated with funding in response to the coronavirus pandemic

Twelve months ago we received a significant injection of funding from the government to respond to the coronavirus pandemic. This enabled us to invest in a number of initiatives designed to increase access to financial counselling and to improve the delivery of financial counselling services. While some of these projects have finalised, a number continued and were our major focus this year. A stocktake of this activity is below.

- Intern and upskilling projects – both of these projects were designed to increase the number of trained financial counsellors in the sector to respond to expected increases in demand. At the end of June 22, 82 interns were still employed in agencies, with 77 having completed the Diploma of Financial Counselling, with seven dropping out. At the end of December 21, there were 55 people, employed in other roles in community agencies, who had been funded to complete their Diploma of Financial Counselling. Both of these projects have now finalised, having met their aims.
- Simulated placements (Steps) – Steps allows students to complete their placement hours in a simulated, online environment under the guidance of experienced financial counselling mentors. This project was initiated in response to the challenges posed by the pandemic when face to face placements were not possible. Steps was launched in November 2020 and by the end of June 2022, a total of 182 students had completed their placements in this environment. Our focus in the 2021-22 financial year was on rural and remote students, who continued to face challenges in finding physical placements. The March 22 Federal budget has continued funding for Steps for two more years. This will allow Steps to evolve, and we are planning on developing a hybrid virtual/face to face placement model, as well as the option of a fully virtual model.
- Appointment booking project – The appointment booking project uses technology to integrate the National Debt Helpline (NDH) with face-to-face financial counselling agencies, so that NDH operators can make an appointment directly for a person they are talking to on the phone. The project was piloted in early 2022 in WA with four face to face agencies and the NDH in that State. The pilot was successful, improving the experience for the clients and also unlocking efficiencies for agencies. The March 22 Federal budget included funding to expand the pilot to other states in the coming financial year.
- Chat on the NDH website – chat functionality was added to the NDH website during the coronavirus pandemic, but due to resource constraints was not available throughout Australia. The March 22 Federal budget included funding to allow this expansion to occur, including for longer hours and to add a virtual assistant capability.
- Resources and information for consumers – extensive effort was put into keeping the NDH website up to date particularly with the information about assistance available for people and small businesses affected by the lockdowns, which changed regularly. We also continued to raise awareness of financial counselling, with over 50 media interviews, posts on social media, development of videos and so on.

Annual conference

Our annual conference, held this year in Cairns, had over 700 registrations including the pre and post events. As in past years, we received overwhelmingly positive feedback about the event. Our key note speaker was Rod Sims, who had recently finished his term as Chair of the ACCC.

Review of the Diploma of Financial Counselling

Working with SkillsIQ and a group of experts from our sector, we invested significant time and effort into updating the Diploma of Financial Counselling to reflect current practice. There will now be five specific financial counselling units, one of which is on assisting small business.

Coordination of the financial counselling response in flood-affected areas

A number of areas on the east coast of Australia were affected by severe flooding in early 2022. As part of the recovery, the Federal Government provided additional funding to a number of financial counselling agencies in these areas. We have received some funding to coordinate the response from these agencies. Our work will involve the provision of training and resources, information sharing and support as well as identifying any systemic issues that need to be addressed by government or industry.

Industry funding for financial counselling

Industry funding for financial counselling moved a step closer. A number of industries advised the government of their willingness to explore a voluntary model – banks, insurance, telecommunications, energy retail, online gambling, BNPL/finance. The March 22 Federal budget included funding to set up the independent body to administer industry funding (as recommended in the Sylvan Review). The preliminary step however will be work on the design of the overall model, such as how funding contributions could be set.

Policy and Advocacy

We set up a specific "gambling project" so that we could make an impact in this important area. Work included professional development sessions for financial counsellors and a first foray, with agency managers, into articulating the role of financial counsellors when assisting clients affected by gambling. We also continued our policy work, writing a number of submissions, responded to numerous media requests, ran a comprehensive survey of financial counsellors and met with stakeholders, such as the banks, to explain what changes, they could make to improve consumer protection.

Unregulated credit was also a focus, and we were the major driver of the campaign calling for adequate regulation of the Buy Now, Pay Later industry, as well as other businesses that also use loopholes in the law to avoid regulation, such as wage advance companies.

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

Small Business

We completed the Small Business Handbook, a comprehensive resource for financial counsellors that equips with them with the necessary background knowledge that they may need to adequately assist a small business client.

The telephone financial counselling service for small business was re-branded as the Small Business Debt Helpline and continued to see an increase in volumes. Funding has been continued by the government until 31st December 2022, during which time there will be an external evaluation of the service.

Financial performance

Having recorded a surplus last financial year of \$807,775, this financial year the organisation will record a deficit of \$386,892. This move into deficit, which will continue for the next few years, is part of a planned strategy to invest reserves back into the sector for longer-term gain. For example, amongst other things, deficits will fund improvements to the toolkit website (a password protected website that houses resources to help financial counsellors do their jobs), and a new learning management system, as well as technology to improve NDH data reporting.

Information on Directors

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

Anne Crouch **Chair**

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 six 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 two 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

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 was previously on the board of Financial Counsellors Association of NSW (FCAN) and has previously served as the FCAN Representative on the FCA Representative Council.

Special Responsibilities: Member of the Nominations Committee.

Lyndall Millburn

Qualifications: B. Accounting, Grad Dip Community Counselling, Diploma of Financial Counselling, Master of Counselling

Experience: Lyndall moved into the financial counselling area after working as an accountant for many years. She is currently employed as a financial counsellor for Care Financial Counselling Service in Canberra. Lyndall was previously president of Financial Counsellors – ACT and has represented the ACT on the FCA Representative Council.

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

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

Information on Directors (continued)**John Williams**

Experience: John was elected to Federal Parliament in 2007 and served as a Senator for NSW from 2008 to 2019. John was born in Jamestown SA but has lived most of his life in the Inverell district in the New England region of NSW. Prior to entering politics, he had been a truck driver, shearer, farmer and a small business owner.

Rob Benton

Qualifications: Diploma of Counselling, Diploma of Financial Counselling, Certificate in Gambling Counselling, Diploma in Financial Planning, Graduate Cert in Financial Studies, Advanced Diploma in Financial Markets, Certificate in Financial Markets

Experience: Rob has worked in the finance industry for over 45 years. During this time, he owned his own business and was a director of a number of organisations including Royal Far West Children, National Association of Loss and Grief and a Neighbourhood Centre.

Rob started working as a financial counsellor in 2009. He served on the Board of the Financial Counsellors Association of NSW from 2015 to 2021 and is currently involved with FCAN's Credit Liaison Working Group, the National Debt Helpline/FCAN Network Group and as a peer supervisor.

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: Past Member of the Finance, Audit and Risk Committee.

Carmel Franklin Past 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 is the CEO of Care Financial Counselling Service in the ACT and has worked with the organisation in various roles since 1992. Carmel was the chairperson of Financial Counselling Australia (FCA) between 2009 - 2021.

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.

Special Responsibilities: Past Member of the Nominations Committee.

Meetings of Directors

During the financial year, seven meetings of Directors were held.

Attendances by each director during the year were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Carmel Franklin	4	4
Jocelyn Furlan	7	6
Greg Tanzer	7	6
Tony Robinson	2	2
Anne Crouch	7	7
Kylie Holford	7	6
Lyndall Millburn	7	7
John Williams	5	5
Rob Benton	4	4

Attendances by each director during the year were as follows:

	Finance, Audit and Risk Subcommittee Meetings	
	Number eligible to attend	Number attended
Jocelyn Furlan	6	6
Tony Robinson	3	3
Anne Crouch	6	6
Lyndall Millburn	3	3

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

After balance day events

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations in future financial years, the results of those operations in future financial years or the company's state of affairs in future financial years..

Contribution in Winding Up


Financial Counselling Australia Limited is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Company.


At 30 June 2022 the collective liability of members was \$70 (2021: \$70).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and is included in this report on Page 5.

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

DocuSigned by:

Director 1063866CA87168
Anne Crouch

DocuSigned by:

194CCFA2D1534E...
Jocelyn Furlan

Dated: 14 October 2022



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

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

www.collinsco.com.au

**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 2022 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 14th day of October 2022

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
REVENUES	2	4,963,301	8,667,602
EXPENSES			
Administration expenses		(490,002)	(632,378)
Amortisation and depreciation expenses		(66,912)	(68,136)
Employee benefits expenses		(3,259,848)	(3,155,528)
Event expenses		(311,416)	(315,571)
Project funding and expenses		(1,222,015)	(3,688,214)
		<u> </u>	<u> </u>
Profit/(loss) attributable to entity		(386,892)	807,775
Other comprehensive income after income tax		-	-
		<u> </u>	<u> </u>
Other comprehensive income for the year, net of tax		-	-
		<u> </u>	<u> </u>
Total comprehensive income for the year, net of tax		<u>(386,892)</u>	<u>807,775</u>
Total comprehensive income/(loss) attributable to entity		<u>(386,892)</u>	<u>807,775</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 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,127,311	5,198,637
Trade and other receivables	4	18,269	23,381
Other current assets	5	3,424	13,944
TOTAL CURRENT ASSETS		4,149,004	5,235,962
NON CURRENT ASSETS			
Property, plant and equipment	6	43,474	60,296
Intangible assets	7	118,777	157,280
TOTAL NON-CURRENT ASSETS		162,251	217,576
TOTAL ASSETS		4,311,255	5,453,538
CURRENT LIABILITIES			
Trade and other payables	8	556,936	435,071
Grants received in advance	9	1,661,384	2,389,067
Revenue received in advance	10	55,790	227,490
Provisions	11	446,661	389,869
Lease liabilities	12	37,993	34,668
TOTAL CURRENT LIABILITIES		2,758,764	3,476,165
NON-CURRENT LIABILITIES			
Provisions	11	10,000	10,000
Lease liabilities	12	90,758	128,748
TOTAL NON-CURRENT LIABILITIES		100,758	138,748
TOTAL LIABILITIES		2,859,522	3,614,913
NET ASSETS		1,451,733	1,838,625
EQUITY			
Accumulated funds		1,163,933	1,626,550
Reserves		287,800	212,075
TOTAL EQUITY		1,451,733	1,838,625

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 2022

	Accumulated funds \$	General reserves	Total \$
Balance as at 1 July 2020	818,775	212,075	1,030,850
Surplus/ (Deficit) attributable to entity	807,775	-	807,775
Transfer to general reserves	-	-	-
Balance as at 30 June 2021	1,626,550	212,075	1,838,625
Surplus/ (Deficit) attributable to entity	(386,892)	-	(386,892)
Transfer to general reserves	(75,725)	75,725	-
Balance as at 30 June 2022	1,163,933	287,800	1,451,733

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		3,446,788	8,294,930
Receipts from other sources		620,446	767,317
Payments to employees and suppliers		(5,085,355)	(7,401,173)
Interest received		1,796	4,217
Net cash generated from/(used in) operating activities	14	<u>(1,016,325)</u>	<u>1,665,291</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		1,000	-
Payment for purchase of property, plant and equipment		(13,951)	(25,417)
Net cash (used in)/provided by investing activities		<u>(12,951)</u>	<u>(25,417)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability - leased premises		(42,050)	(43,383)
Net cash used in financing activities		<u>(42,050)</u>	<u>(43,383)</u>
Net increase/(decrease) in cash held		(1,071,326)	1,596,491
Cash and cash equivalents at beginning of financial year		5,198,637	3,602,146
Cash and cash equivalents at end of financial year	3	<u><u>4,127,311</u></u>	<u><u>5,198,637</u></u>

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022

	2022 \$	2021 \$
Note 2. Operating Activities: Revenues		
Grants	4,174,471	7,436,582
Donations	11,174	80,334
Sponsorships	435,416	417,844
Conference income	283,028	265,016
Other income	57,416	459,789
Interest received	1,796	4,217
Gain on change in right of use assets & lease liabilities	-	3,820
Total revenues	<u>4,963,301</u>	<u>8,667,602</u>
Note 3. Cash and Cash Equivalents		
Commonwealth Bank of Australia - Cheque Account	189,959	107,052
Commonwealth Bank of Australia - Cash Management Account	2,967,022	4,122,739
Commonwealth Bank of Australia - Term Deposits	970,330	968,846
	<u>4,127,311</u>	<u>5,198,637</u>
Note 4. Trade and Other Receivables		
Accounts receivable	18,269	23,381
Less: provision for doubtful debts	-	-
	<u>18,269</u>	<u>23,381</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>		
Note 5. Other Current Assets		
Other receivables	608	197
Prepayments	-	10,931
Other deposits	1,100	1,100
Rental bonds	1,716	1,716
	<u>3,424</u>	<u>13,944</u>
Note 6. Property, Plant and Equipment		
Office equipment		
At cost	108,347	118,538
Accumulated depreciation	(64,873)	(58,242)
	<u>43,474</u>	<u>60,296</u>
Total property, plant and equipment	<u>43,474</u>	<u>60,296</u>
Note 7. Intangible Assets		
Right of use asset - leased premises		
At cost	192,512	192,512
Accumulated amortisation	(73,735)	(35,232)
	<u>118,777</u>	<u>157,280</u>
Total intangible assets	<u>118,777</u>	<u>157,280</u>

FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Note 8. Trade and Other Payables		
Current - unsecured		
Accounts payable	165,099	180,270
Accrued expenses	111,880	100,214
Superannuation payable	39,483	35,021
GST (refundable)/payable	191,479	74,649
PAYG withholding tax payable	35,799	35,538
Commonwealth Bank of Australia - credit cards	13,196	9,379
	<u>556,936</u>	<u>435,071</u>
Note 9. Grants Received in Advance		
Current		
Department of Social Services - Bushfire	-	154,138
Department of Industry - Small Business Bushfire Financial Support Line	473,698	556,049
Department of Social Services - COVID-19 Additional Core Funding	-	1,678,880
Department of Social Services - Chat - National Debt Helpline	991,000	-
Department of Social Services - Flood Relief Financial Support Funding	196,686	-
	<u>1,661,384</u>	<u>2,389,067</u>
Note 10. Revenue Received in Advance		
Current		
Commonwealth Bank of Australia	53,290	102,490
National Australia Bank	2,500	-
Westpac Bank of Australia	-	125,000
	<u>55,790</u>	<u>227,490</u>
Note 11. Provisions		
Current		
Annual leave	347,627	294,845
Long service leave	99,034	95,024
	<u>446,661</u>	<u>389,869</u>
Non-current		
Make good on leased premises	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Note 12. Lease Liabilities		
Current		
Lease liability - leased premises	37,993	34,668
	<u>37,993</u>	<u>34,668</u>
Non-current		
Lease liability - leased premises	90,758	128,748
	<u>90,758</u>	<u>128,748</u>
Note 13. Capital Commitments		
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 2022

	2022	2021
	\$	\$
Note 14. Cash Flow Information		
(a) Reconciliation of cash flow from operations with profit after income tax		
Operating surplus/(deficit)	(386,892)	807,775
Non-cash flows in profit		
Amortisation and depreciation expenses	66,912	68,136
Finance charges on leased liability - leased premises	7,386	9,280
Gain on change in right of use assets & lease liabilities	-	(3,820)
Loss on disposal of fixed assets	1,363	-
Changes in assets and liabilities		
(Increase)/decrease in accounts and other receivables	5,112	43,737
Increase/(decrease) in other assets	10,520	38,118
Increase/(decrease) in trade and other payables	121,865	197,813
Increase/(decrease) in grants received in advance	(727,683)	858,348
Increase/(decrease) in revenue received in advance	(171,700)	(499,403)
Increase/(decrease) in provisions	56,792	145,307
Cash flow from operations	<u>(1,016,325)</u>	<u>1,665,291</u>
(b) Reconciliation of Cash		
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>4,127,311</u>	<u>5,198,637</u>
	<u>4,127,311</u>	<u>5,198,637</u>

FINANCIAL COUNSELLING AUSTRALIA LIMITEE
ABN 67 073 167 361
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 2022.

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	2022 \$	2021 \$
Financial Assets			
Cash and cash equivalents	3	4,127,311	5,198,637
Loans and receivables	4	18,269	23,381
		<u>4,145,580</u>	<u>5,222,018</u>
Financial Liabilities			
Trade and other payables	8	556,936	435,071
		<u>556,936</u>	<u>435,071</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:

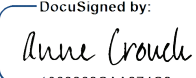
Level 6
179 Queen Street
MELBOURNE VIC 3000

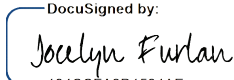
**FINANCIAL COUNSELLING AUSTRALIA LIMITED
ABN 67 073 167 361
DIRECTORS' DECLARATION**

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 6 to 22, 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 2022 and of the performance for the year ended on that date of the company;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director 
DocuSigned by:
4063868CAA874C8...

Director 
DocuSigned by:
194CCFA2D1534AE...

Dated this **day of October 2022** 14 October 2022



Collins & Co Audit Pty Ltd

127 Paisley Street
Footscray VIC 3011
Australia

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

www.collinsco.com.au

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 2022, 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 2022 and of its performance and cash flows for the year ended on 30 June 2022; 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

127 Paisley Street
Footscray VIC 3011
Australia

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

www.collinsco.com.au

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 14h day of October 2022