



FINANCIAL  
COUNSELLING  
FOUNDATION



**Annual  
Report  
2020**



# Contents

From the Chair	3
From the CEO	4
About the Foundation	5
The Need for Financial Counselling	6
Foundation Grants 2019-20	7
Case Studies	12
Organisational Structure and Governance	16
Financial Reports	17



## From the Chair

The past year will long be remembered as the year the COVID-19 global pandemic struck. We have all been called upon to play our part in the response. For the Foundation, this involved increasing access to financial counselling for those impacted by Domestic Family Violence (DFV) through our largest grant series so far. Ten new positions for specialist DFV Financial Counsellors were funded around Australia, six of those within Women's Legal Services, so filling a funding 'gap' and expanding their range of support services.

Prior to the pandemic, to improve access to financial counselling for Indigenous people, grants were awarded to 21 organisations around Australia to support outreach to remote communities and a grant was awarded to establish and promote a National Indigenous Helpline. A grant was also provided for research into how to effectively provide access to financial counselling for people in prisons and 'bridging' grants for 12 months were made to specialist financial counselling services where government funding had been unexpectedly withdrawn. More information about grants is contained in this report.

In total, more than \$6 million was committed for grants in 2019-20, bringing the total amount the Foundation has paid and earmarked for grants since it was established in December 2017 to \$10.4 million. On behalf of the Board, I sincerely thank all those individuals and companies who donated to the Foundation. As in previous years, the lion's share of funding this year came from Community Benefit Payments which arise from Enforceable Undertakings due to corporate misconduct.

During start-up and initial operation of the Foundation, Financial Counselling Australia provided strategic advice and operational support. For the next stage, in April 2020 the Board was pleased to appoint Jane Nash as the Foundation's CEO. Jane brings a wealth of experience to the role; she held executive positions with ANZ Banking Group, led their work on financial literacy, capability and wellbeing for over a decade, has worked as a consultant in the private, public and community sectors and is a non-executive director of the International Women's Development Agency.

The Board thanks Fiona Guthrie AM, CEO of Financial Counselling Australia, whose vision and hard work brought the Foundation to life and propelled its development until this year for the benefit of the growing number of Australians who need free and independent financial counselling.

We remain committed to playing our part in meeting that need.



**George Brouwer**



## From the CEO

My work at the Foundation began in February 2020 as a consultant engaged to conduct the Foundation's first Expression of Interest process. In April 2020 I was pleased to accept the Board's invitation to continue as CEO.

Since introduction of measures to contain the spread of COVID-19, organisations with Foundation grants have had to make enormous changes to the way they operate. With the exception of the National Debt Helpline, financial counselling has traditionally been delivered face-to-face. Some outreach to remote Indigenous communities was delayed as access to those communities was restricted, but service delivery has otherwise been maintained through a mix of telephone, internet and face-to-face with appropriate 'social distancing' and hygiene practices. Those organisations have adapted and continued to use Foundation funding to support the range of communities in which they work.

Following introduction of measures to deal with the pandemic, Australia is in recession for the first time in a generation. As a result, financial counselling will be needed by more people, many of whom will not have needed it previously.

In the year ahead, as resourcing permits, we will continue to fund gaps in areas of strong need. A particular focus will be on access to vulnerable tenants in private rental properties, an area of growing and significant need. The Foundation will also consider awarding further grants to improve access to financial counselling for Indigenous people in underserved rural and remote parts of Australia.

I look forward to making further progress in getting funding for financial counselling to where it is needed in the year ahead.

  
**Jane Nash**

## About the Foundation

The Financial Counselling Foundation is a charitable trust established in December 2017 to increase access to free and independent financial counselling for people with money and debt problems. This was in response to chronic underfunding of financial counselling relative to demand.

The Foundation achieves its purpose by making grants to fund:

- ◆ Financial counselling positions where a gap exists in government funding and there is a strong demonstrated need
- ◆ Professional development and support for financial counsellors to build capacity and help ensure ongoing access for those in need of financial counselling and
- ◆ Research into ways to improve access to financial counselling, for example, systemic barriers, innovative approaches.

**The Foundation's Operating Principles are available on the website at [financialcounsellingfoundation.org](https://financialcounsellingfoundation.org)**

## The Need for Financial Counselling

While some people are more vulnerable than others, financial stress and hardship can happen to anyone and unemployment is a key cause.

Australia is in recession for the first time in 29 years. Unemployment has risen sharply as a result of State and Federal government restrictions designed to contain the spread of COVID-19. A range of temporary government income support measures for individuals and small businesses, most notably JobKeeper and the increased JobSeeker, have played a critical role in supporting millions of Australians to stay afloat financially.

Government income support measures are temporary, with the dollar amounts of JobKeeper and JobSeeker being stepped down in late September 2020 and again in late December 2020. JobKeeper is due to end on 28 March 2021. Significant incentives have been announced in the Federal Budget aimed at driving employment growth. The incentives will be important in helping people get back to work. However, we know from past recessions that recovering lost jobs so that people who want a job can find one, typically takes years.

In this environment we can expect demand for financial counselling to rise. In a survey of financial counsellors across Australia<sup>1</sup>, 85 percent were either 'fairly concerned' or 'very concerned' about tapering of government supports in terms of the impact on their workloads due to increased demand and impacts on their clients such as an increase in evictions, bankruptcies, relationship breakdown and self-harm.

In addition, 67 percent of financial counsellors reported that since the pandemic began, more clients are reporting issues with their mental health. The good news is that financial counselling assistance generally has a positive impact on mental health, with clients feeling less stressed, more in control and more hopeful about the future.

[1] Money on Your Mind: Financial Counselling and Mental Health, survey conducted by Financial Counselling Australia 24 July – 18 August 2020. 183 financial counsellors from every State and Territory participated (approximately 20 percent of all financial counsellors). <https://www.financialcounsellingaustralia.org.au/publications/reports/>



## Foundation Grants 2019-20

**More than \$6 million  
was committed for  
grants in 2019-20.**

Details about individual grants are on the following pages.

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## First Nations Outreach July 2019

The Foundation is providing funding of \$10,000 a year for three years to 21 organisations that work predominantly with First Nations people in regional and remote Australia (total funding of \$630,000). The grants support the costs associated with outreach services such as travel, accommodation, materials and in some cases presenters. A couple of organisations identified that their greatest need was funding to support additional training for their workers so that they can provide a more effective service.

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## Bridging Funding for Specialist Services September 2019

The Foundation has provided funding of \$130,000 to each of five organisations that lost Federal Government funding in 2018. The grants for 12 months enable specialist financial counselling to particularly vulnerable groups to continue and give the organisations time to adjust.

- ◆ Centacare Catholic Country SA is using the grant for counselling case work, focusing on outreach and services to people in remote South Australia, particularly First Nation's communities.
- ◆ Odyssey House (Vic) is using the grant to continue delivering financial counselling to people with issues arising from alcohol and drug addictions.
- ◆ Vincent Care Victoria is using the grant to continue delivering financial counselling casework, with a focus on assisting those people at risk of, or already experiencing, homelessness.
- ◆ Southern Youth & Family Services (NSW) is using the grant to deliver financial counselling casework, with a focus on assisting young people, particularly those at risk of, or experiencing, homelessness.
- ◆ Prisoners' Legal Service is using the grant to deliver financial counselling casework, with a focus on assisting people in prison or people who have recently been released from prison.

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## First Nations Research Project September 2019

First Nations people, particularly those located in regional and remote areas, do not have the same access to financial counselling support available in other areas of Australia. The Foundation provided a grant of \$35,000 to research the need for financial counselling to help fill those gaps, looking particularly at a telephone service.

The research involved interviews with key stakeholders and a workshop. Stakeholders included Indigenous Consumer Assistance Network (Qld), Bara Barang Aboriginal Corporation (NSW), financial counsellors who work in remote communities, Financial Rights Legal Centre (NSW), which runs Money Mob Debt Help, a telephone service providing legal advice and assistance, and the Consumer Action Law Centre (Vic) which runs the Koorie Help Line. The project gathered a wealth of information and experience.

This grant was auspiced through Financial Counselling Australia (FCA) who engaged a consultant to run the project. Note: FCA did not receive any funding for administering this project.

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## Financial Counsellors Association of Western Australia (FCAWA) November 2019

Financial counsellors require regular access to legal support and information to work out the best strategies for advocating for their clients. The Foundation provided a grant to FCAWA of \$130,000 for 12 months so it can continue to employ a solicitor to support financial counsellors in Western Australia.

The work of the solicitor will include:

- ◆ support to financial counsellors including through professional development via webinars and face to face training
- ◆ information papers and guidance for financial counsellors on relevant topics and
- ◆ legal advice to financial counsellors as necessary.

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## Prison Research Project November 2019

A grant of \$200,000 has been provided for research to establish an effective way to provide financial counselling support to people in prisons to stop the financial harm that is often a consequence of being incarcerated. People in prison cannot effectively manage their financial obligations and therefore often leave prison facing significant debt and hardship, increasing the risk of recidivism and other negative consequences. The project “Fostering financial stability for people in prison” will analyse the financial counselling work already being offered in prisons and look into ways to improve the service model to ensure people leave prison in a financially stable position.

The project will involve reviewing the successes and failures of existing approaches, mapping corrections systems nationally, conducting interviews and workshops with people who have been imprisoned and prison staff. By working closely with people with lived experience of being or working in prison, the project will offer new insights for developing effective programs.

Auspiced through Financial Counselling Australia, Thriving Communities Partnership has been engaged to deliver the project. Note: FCA did not receive any funding for administering this project.

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## **National Debt Helpline February 2020**

The National Debt Helpline is the phone financial counselling service. It is operated by 10 different organisations around Australia. Funding of \$1,000,000 has been shared proportionately between them (based on call volumes) for 12 months (1 July 2020 - 30 June 2021). This will allow the services to continue current staffing levels. Without this funding, staff numbers would have reduced as previous funding from an ASIC community benefit payment was exhausted. Some funds have also been provided to Financial Counselling Australia to promote the NDH website.

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## **ADF Personnel March 2020**

The Foundation has provided a grant of \$130,000 to the Bravery Trust to deliver a pilot financial counselling service to current and former Australian Defence Force personnel. The pilot will be used to determine whether it would be beneficial to fund financial counselling to defence force personnel on an ongoing basis.

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## **First Nations National Phone Financial Counselling Service May 2020**

The Foundation is providing a grant of \$465,000 to Financial Rights Legal Centre (NSW) to employ a financial counsellor for three years and promote the new part of its service to First Nations people across Australia.

Financial Rights Legal Centre (NSW) runs Money Mob Debt Help, an established national telephone service providing legal advice and assistance to First Nations people. The addition of a financial counsellor to this service will improve access to financial counselling services in under-served areas. Funding to promote the service will support take-up and usage through building awareness and trust within local communities.

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## Domestic Family Violence Financial Counsellors May 2020

Grants totalling more than \$3.9 million are being provided over three years to fund 10 specialist Financial Counsellors trained to deal with clients experiencing Domestic and Family Violence.

Impacts of COVID-19 including a rise in unemployment and 'stay at home' measures have led to a reported increase in domestic and family violence (DFV) and financial stress. Financial counselling is a key support for women who experience DFV as financial stress and economic dependency can keep women in, or cause them to return to, abusive relationships. In cases where a relationship has been exited, women may be left with debt or may experience ongoing economic abuse.

Reflecting the Foundation's approach of identifying clear needs or gaps in funding, one position will be funded in each of South Australia, Queensland, Tasmania and the ACT and two positions will be funded in each of New South Wales, the Northern Territory and Western Australia. The Victorian Government is already funding 21 specialist family violence financial counsellors and the Foundation commends them on this. The Foundation hopes that these 10 one-off grants in other jurisdictions, will encourage those other Governments to make these new positions permanent after the Foundation's funding ceases.

Funding for these grants comes from the Foundation and a donation from ANZ of \$250,000.

The Foundation conducted an Expression of Interest process with the objective of making specialist financial counselling more accessible to women who have experienced or are experiencing DFV. Following that process, the grant recipients are: Women's Legal Service NSW, South West Sydney Legal Centre, Care Financial Counselling Service ACT, Women's Legal Service Queensland, Central Australian Women's Legal Service NT, Lutheran Community Care NT, Women's Legal Service WA, Jacaranda Community Centre WA, Women's Legal Service SA and Women's Legal Service Tasmania.

Adding DFV Financial Counselling to the services available through women's legal services - where up to 95 percent of clients experience domestic family violence - and to organisations in WA and NT with predominantly First Nations clients, will make financial counselling more accessible to women who have experienced or are experiencing DFV.

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## Victorian Bushfires May 2020

The Foundation provided a grant of \$112,818.54 to Anglicare St Luke's in Bendigo to go towards employing a financial counsellor to support people in the region affected by the 2019-20 bushfires.



## Case Studies

**When people find themselves in vulnerable circumstances, financial counsellors can play a vital role in supporting them to get their lives back on track.**

The following case studies, supplied by some of the community organisations that have received grants from the Foundation, show the benefits that can come from financial counselling for individuals and their families.



## knowmore

An elderly Aboriginal woman and member of the Stolen Generation accepted a significant offer through the National Redress Scheme. To assist the client to manage her lump sum well, the financial counselling team talked to the client about her plans for the money, and whether it would impact on her receipt of benefits from Centrelink. The team also assisted her to secure a debt waiver on a personal loan that she could not afford to pay. She identified that she would like to use part of the payment to assist her with the ongoing costs of her higher education studies, and to benefit her family. But her greatest dream is to use the payment to return to Country once it is safe to travel again, so that she can reconnect with her cultural home and progress her healing. The team assisted her to save the balance of her payment to support her travel costs so she can return to Country every year.

knowmore used its grant from the Financial Counselling Foundation to fund a financial counsellor in each of its locations – Brisbane, Melbourne, Sydney and Perth. The Financial Counselling Team is a fully integrated part of the multi-disciplinary team at knowmore, working alongside the Legal, Support Services and Aboriginal Engagement Teams to provide a full wrap-around service for clients. The team also work to build awareness about the National Redress Scheme and skills across the financial counselling sector, and to advocate with financial institutions to protect redress payments and maximise the benefits survivors receive from those payments.

knowmore Executive Officer Warren Strange said, “Their work has become an essential part of how we support our clients, particularly as the number of clients receiving offers from the NRS has increased significantly - in the last year 590 clients at knowmore received help from our financial counsellors.”

**“ Their work has become  
an essential part of  
how we support  
our clients...”**

**Warren Strange**  
knowmore Executive Officer



## Southern Youth and Family Services, South Coast of NSW

A young man, aged 19, with a diagnosed mental illness, was referred to the Southern Youth and Family Services financial counsellor from the Youth Drug and Alcohol Service. He had recently returned to live with his parents after working interstate for three months at his first job. When the financial counsellor saw him, he had three mobile phone contracts from two large telecommunications companies and associated debts and had his mobile phones and wallet stolen during an assault while living interstate.

With the client's permission, the financial counsellor liaised with the client's parents, who then assisted their son to report the assault and theft to the Police. The client's parents then sent the police event number to the financial counsellor.

The financial counsellor contacted the mobile phone companies and requested a review of the mobile phone contracts, a compassionate waiver of contracts and debts totalling over \$4,000 and supplied the police event number. The waiver was granted in full.

The financial counsellor encouraged the client's parents to contact Centrelink to assist him to access independent income such as the Disability Support pension and investigate eligibility for the Sickness and Carer's Allowance for his parents. The client's parents said they were unaware that the financial counselling service could assist so much and were very grateful for the assistance provided to their son.

The Financial Counselling Foundation provided a grant to fund the financial counsellor position for a year after government funding was unexpectedly withdrawn.

**“ ...they were unaware that the financial counselling service could assist so much and were very grateful for the assistance...”**

## Indigenous Consumer Assistance Network (ICAN)

ICAN partnered with QSuper, the Indigenous financial inclusion team at Good Shepherd Australia New Zealand and lawyers from the Aboriginal and Torres Strait Islander Legal Service to provide support on financial matters to people in the Northern Peninsula Area in Far North Queensland over four days in January 2020. More than 125 people were provided with advice and information with a number receiving ongoing financial counselling from ICAN.

“We very quickly realised there was a huge demand,” said Sharon Edwards, ICAN Financial Counsellor. “Word of our services quickly spread throughout the five communities and there was a great community response during the week.” Credit and debt were the main issues raised. One client saved \$166,000 as a result of ICAN’s advice about bankruptcy.

ICAN is one of 21 organisations working with predominantly Indigenous people that received a grant from the Foundation to support outreach to rural and remote communities.

**One client saved  
\$166,000 as a  
result of ICAN’s advice  
about bankruptcy.**

## Organisational Structure and Governance

The Financial Counselling Foundation is a public ancillary fund and donations are tax deductible. The trustee for the Foundation is a company limited by guarantee, Financial Counselling Foundation Ltd. The sole purpose of the company is to act as the trustee of the charitable trust called the Financial Counselling Foundation (the public ancillary fund).

The directors of Financial Counselling Foundation Ltd are:



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George Brouwer (Chair) is a former Victorian State Ombudsman.



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Carolyn Bond AO is a consumer advocate and former co-CEO of the Consumer Action Law Centre.



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Greg Tanzer was most recently a Commissioner at the Australian Securities and Investments Commission. Greg is also a board member of Financial Counselling Australia.



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Dr Betty Weule AM is a well known financial counsellor and founder of the first financial counselling service in NSW.



## Financial Reports

Page 17

**Financial  
Counselling  
Foundation**

Annual Report 2020

**FINANCIAL COUNSELLING FOUNDATION**  
**ABN 85 195 456 873**  
**TRUSTEES' DECLARATION**

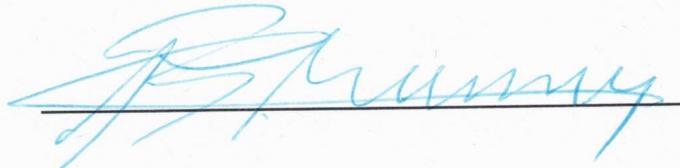
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The Board of Directors of the trustee company, Financial Counselling Foundation Ltd, declares that:

1. the financial statements and notes present fairly the Foundation's financial position as at 30 June 2020 and performance for the year ended on that date in accordance with the Australian Accounting Standards; and
2. in the trustees opinion there are reasonable grounds to believe that the Foundation 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 Trustees:

Trustee



Dated this

*ninth*

day of October 2020

# FINANCIAL COUNSELLING FOUNDATION

## ABN 85 195 456 873

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>Income</b>	<b>6,878,390</b>	<b>3,442,008</b>
Donations received	460,306	330,778
Donations received - ANZ Bank	1,002,039	599,346
Donations received - CUA	120,000	-
Donations received - MLC Life Insurance	50,576	-
Enforceable Undertaking Payment - Aioi Nissay Insurance Company Pty Ltd	15,000	-
Enforceable Undertaking Payment - BMW Finance	-	2,500,000
Enforceable Undertaking Payment - Malouf Enterprises	500,000	-
Enforceable Undertaking Payment - Swann Insurance	2,141,604	-
Enforceable Undertaking Payment - Thorn Australia	2,425,140	-
Enforceable Undertaking Payment - Youi Insurance	79,553	-
Interest received	84,172	11,884
<b>Expenditure</b>	<b>2,108,020</b>	<b>1,352,722</b>
Bank Fees	12	1
Audit Fees	350	300
Catering	276	223
Computer software	720	295
Consultants	15,047	3,118
Grant Payments	2,007,658	1,320,300
Merchant fees	-	40
Directors and Officers insurance	-	1,200
Legal Fees	-	12,509
Printing and Design	300	1,010
Travel and Accommodation	2,065	6,324
Other Expenses	302	195
Website Costs	530	866
Salaries & Wages	8,000	-
Superannuation	760	-
Secretariat costs	72,000	6,341
<b>Net surplus for the year</b>	<b>4,770,370</b>	<b>2,089,286</b>
<b>Other comprehensive income</b>		
<b>Total comprehensive income attributable to the Foundation</b>	<b>4,770,370</b>	<b>2,089,286</b>

# FINANCIAL COUNSELLING FOUNDATION

## ABN 85 195 456 873

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>CURRENT ASSETS</b>		
Cash at bank	3,089,789	3,350,585
Cash on term deposits	6,799,264	1,496,655
Cash on hand	100	100
Accounts receivables	-	229,700
Interest receivable	8,755	4,397
Withholding tax refundable	184	184
GST refundable	6,901	2,588
<b>TOTAL CURRENT ASSETS</b>	<b>9,904,993</b>	<b>5,084,209</b>
<b>TOTAL ASSETS</b>	<b>9,904,993</b>	<b>5,084,209</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	55,019	10,940
Sundry payables	6,665	330
<b>TOTAL CURRENT LIABILITIES</b>	<b>61,684</b>	<b>11,270</b>
<b>TOTAL LIABILITIES</b>	<b>61,684</b>	<b>11,270</b>
<b>NET ASSETS</b>	<b>9,843,309</b>	<b>5,072,939</b>
<b>EQUITY</b>		
Settled sum	100	100
Accumulated funds	9,843,209	5,072,839
<b>TOTAL MEMBERS' FUNDS</b>	<b>9,843,309</b>	<b>5,072,939</b>

# FINANCIAL COUNSELLING FOUNDATION

## ABN 85 195 456 873

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

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	Settled sum \$	Accumulated funds \$	Total \$
<b>Balance as at 1 July 2018</b>	100	3,350,585	100
Surplus attributable to the Foundation	-	2,089,286	2,089,286
<b>Balance as at 30 June 2019</b>	<b>100</b>	<b>5,072,839</b>	<b>2,089,386</b>
Surplus attributable to the Foundation	-	4,770,370	4,770,370
<b>Balance as at 30 June 2020</b>	<b>100</b>	<b>9,843,209</b>	<b>6,859,756</b>

# FINANCIAL COUNSELLING FOUNDATION

## ABN 85 195 456 873

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and donors		7,015,247	3,193,438
Payments to suppliers and community partners		(2,057,605)	(1,341,782)
Interest received		84,172	11,884
Net cash generated from/(used in) operating activities		5,041,814	1,863,540
<b>Surplus attributable to the Foundation</b>	(i)	<b>2,089,286</b>	<b>2,089,286</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Settled sum received		-	-
<b>Net cash (used in)/provided by investing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash held		5,041,814	1,863,540
Cash and cash equivalents at beginning of financial year		4,847,339	2,983,799
<b>Cash and cash equivalents at end of financial year</b>	(ii)	<b>9,889,153</b>	<b>4,847,339</b>
<b>Note (i). Net cash generated from/(used in) operating activities</b>			
Surplus attributable to the Foundation		4,770,370	2,089,286
Increase in accounts and other receivables		221,029	(236,686)
Increase in withholding tax refundable		-	-
Increase in accounts and other payables		50,415	10,940
		<b>5,041,814</b>	<b>1,863,540</b>
<b>Note (ii) Cash and cash equivalents at end of financial year</b>			
Cash on hand		100	3,350,585
Cash on term deposits		6,799,264	1,496,655
Cash in bank		3,089,789	100
		<b>9,889,153</b>	<b>4,847,340</b>

# FINANCIAL COUNSELLING FOUNDATION

ABN 85 195 456 873

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

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## Note 1. Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

All revenue is stated net of the amount of goods and services tax (GST). The Foundation is a not for profit organisation and as such is exempt from paying income tax. 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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

### Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The following is a summary of the material accounting policies adopted by the company in the preparation of the general purpose financial report. The accounting policies have been consistently applied, unless otherwise stated.

### Accounting Policies

#### a. 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 borrowings in current liabilities on the balance sheet.

#### b. Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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

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

#### c. Income Tax

The Foundation is a not for profit organisation and as such is exempt from paying income tax.

#### d. Trustees

The Foundation was established as a charitable foundation by Financial Counselling Australia Limited (the Founder).

The trustees are as follows:

Mr George Brouwer **Chairperson**

Ms Carolyn Bond AO

Mr Greg Tanzer

Ms Betty Weule AM

Ms Rita Battaglin **Secretary**

# FINANCIAL COUNSELLING FOUNDATION

## ABN 85 195 456 873

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

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### Note 2. Financial Instruments

#### *Financial Risk Management Policies:*

The entity's financial instruments consist mainly of deposits with banks, local money market instruments and shortterm investments.

The trustee's overall risk management strategy seeks to assist the company in meeting its financial target, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the trustees on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finances for the trust's operations.

The trust does not have any derivative instruments at 30 June 2020.

#### *Interest rate risk*

The Trust does not have any material interest rate risk exposure, which is the risk that a financial instrument's value will fluctuate as a result in changes in market interest rates.

#### *Credit risk*

The Trust does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Trust.

#### *Net fair values*

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are comparable to the amounts disclosed in the financial statements.



**FINANCIAL COUNSELLING FOUNDATION**  
**ABN 85 195 456 873**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

***Opinion***

I have audited the accompanying financial report of Financial Counselling Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2020, 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 Trustees.

In my opinion, the accompanying financial report of Financial Counselling Foundation is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2020 and of its performance and cash flows for the year ended on 30 June 2020; 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 Foundation in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission 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 Australian Charities and Not-for-profits Commission Act 2012, which has been given to the Trustees of the Foundation would be on the same terms if given to the Trustees 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 the Trustees for the Financial Report**

The Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as the Trustees determine 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, the Trustees are responsible for assessing the Foundation'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 the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 9th day of October 2020**



FINANCIAL  
COUNSELLING  
FOUNDATION