

Australian Consumers' Association (CHOICE)

ABN: 72 000 281 925

Financial report

For the year ended 30 June 2021

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DIRECTOR'S REPORT

The directors present their report together with the financial report of Australian Consumers' Association (the "Company") for the year ended 30 June 2021 and the independent auditor's report thereon.

Directors

The names of directors in office during the financial year and at the date of this report and meetings attended during the year are as follows:

Director	Date appointed	Date of cessation	Board Meetings		Committee Meetings	
			E	A	E	A
Anita Tang			6	6	7	7
Robert Southerton			6	6	9	9
Samantha Challinor	25/11/2020		3	3	4	4
Nic Cola			6	6	7	7
Sandra Davey		26/11/2020	3	3	2	2
Katherine George	25/11/2020		3	2	2	1
Fiona Guthrie			6	6	8	7
Fiona Jolly	25/11/2020		3	3	2	2
Alexandra Kelly			6	6	6	5
Ben Naparstek			6	5	5	5
Helen Wiseman		26/11/2020	3	3	4	4

E – Number of meetings eligible to attend

A – Number of meetings attended

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

Qualifications, Experience and Special Responsibilities of Directors

Anita Tang - Chair

Anita has a strong background in public policy reform and community organising across a range of social justice and community service areas. She is currently Community Organising Director at the Centre for Australian Progress, building the capacity of civil society for systems change, following five years running her own advocacy and campaigning consultancy supporting NGOs to bring about social change. Her other experience includes more than a decade at Cancer Council NSW where she led the transformation of its advocacy work, and senior roles in the Community Services Commission and the Social Issues Committee of the NSW Legislative Council. She has completed the Leadership, Organizing and Action: Leading Change program through Harvard University, as well as the Stanford Executive Program for Non-Profit

DIRECTOR'S REPORT

Leaders. Anita has served on the Boards of the Council for Intellectual Disability NSW, the Intellectual Disability Rights Service and the Centre for Australian Progress. She is currently Chair of the Board of Democracy in Colour, a racial justice campaigning organisation.

She is a long-standing member of CHOICE and while at the Cancer Council, led a number of collaborative projects with CHOICE, including campaigns against junk food advertising to children and the regulation and eventual ban of commercial solariums.

Anita joined the Board in March 2017. She is also Chair of the Impact Committee and a member of the Membership Growth & Engagement Committee.

Anita was appointed Chair in November 2020 and shares Board leadership responsibilities with Robert Southerton.

Robert Southerton - Deputy Chair

Robert is an experienced professional in marketing, digital, analytics and statistics. He has a broad range of experience across IT, telecommunications, finance and biotechnology industries, having worked for companies including BT Financial Group, ING Direct and Unwired. He has a strong interest in data-driven decision making, and holds qualifications in statistics and operations research. He also holds a Foundations of Directorship qualification from the AICD, gained in 2015. Robert is currently the Managing Director and co-founder of Gondwana Genomics, an Australian biotechnology company exporting genetic technology developed in Eucalyptus.

Robert joined the CHOICE Board in September 2014. He is a member of the Finance, Risk & Audit and the Governance, Culture & Ethics Committees.

Robert is Deputy Chair of the Board and since November 2020 has shared Board leadership responsibilities with Anita Tang.

Samantha Challinor

Samantha is a non-executive director, and has more than 20 years' experience in senior accounting, leadership and management roles. She is adept at bringing financial, information technology and risk management oversight and governance to organisations through expertise gained in government, non-government, and multinational corporate sectors.

Samantha is a non-executive director and governance nominations committee chair with RSL LifeCare, a non-executive director and finance audit and risk committee chair with Sydney North Health Network, and an independent finance audit and risk committee member with the Australian Dental Council.

Samantha's executive career included interim CEO at Arthritis NSW, director corporate services at Agency for Clinical Innovation (NSW Health), deputy CEO at Sydney North Shore and Beaches Medicare Local, and chief accountant at Lexmark International (Australia). Her areas of interest are in primary health, ageing and consumer advocacy.

DIRECTOR'S REPORT

Samantha joined the CHOICE Board in November 2020 and is Chair of the Finance, Risk & Audit Committee.

Nic Cola

Nic is Group General Manager of Retail and Commercial at Helloworld Ltd. Prior to this he was a director at Satinay Partners, a consulting and advisory firm focused on advising media, market places, education and digital businesses. He also acts as Advisory Chair at Ford Peterson, a recruitment company focused on accounting and professional services, and Advisory Chair of Picaluna, a disruptor in the funeral industry.

Nic has over 22 years of general management and CEO experience in high growth, sales and marketing-led organisations, with expertise in delivering revenue and share growth across a diverse range of business models in traditional and digital media, education, and e-commerce. His key strengths are strategy, mergers and acquisitions, operations, digital transformation and change management.

His previous roles have included CEO of Open Colleges and CEO of Marketplaces at Fairfax Media where he was one of the founding executives of Fairfax Digital.

Nic was active in building the digital industry in Australia having been on the board of the Australian Interactive Multimedia Industry association (AIMIA) for several years as well as serving as Chairman of the Australian Internet Advertising Bureau. He has a Bachelor of Business from UTS and is a graduate of the Australian Institute of Company Directors course.

Nic joined the CHOICE Board in November 2019 and is Chair of the Membership, Growth & Engagement Committee and a member of the Finance, Risk & Audit Committee.

Sandra Davey – Chair (until 26 November 2020)

Sandra is an experienced digital and internet executive and founder of Organa. Her love is coaching and helping organisations streamline their digital product practices to improve agility, innovation and product success. Increasingly she works with organisations to unpack the cultural and structural issues that impact their ability to create value.

Her industry experience crosses telco/broadband, digital media, interactive TV, sport, libraries, industry associations and consumer advocacy.

Sandra served as a director and chair of the Australian Interactive Media Industry Association (AIMIA) during the 2000s and was one of the co-founders and inaugural directors of the Australian Domain Name Authority (auDA). For her contribution to the digital media industry, Sandra was inducted into AIMIA's Hall of Fame in 2015. She serves on the Board of auDA, Screenrights and with the Editorial Board of the Business Agility Institute.

Sandra joined the Board of CHOICE in 2012 and was elected Chair in 2017. She chaired the Commercial Sustainability Committee and Investment Committee and was a member of the Governance, Culture & Ethics Committee and Technology & Data Committee. Sandra's final term ended at the 2020AGM.

DIRECTOR'S REPORT

Katherine George

Kat has extensive experience in consumer policy and human rights, and is currently a Manager in EY's Infrastructure Advisory working across health and human services, justice and utilities. She previously led the development of the Victorian Essential Services Commission's strategy to support equitable access and fairness for all consumers through the regulation of essential services. Kat is interested in systems-thinking to drive economic and social inclusion, and the intersection between consumer wellbeing, human rights, and emerging technology.

Currently, Kat is a director on the Board of Hope Street Youth and Family Services, a specialist youth homelessness service operating in the northern and western regions of Melbourne, and the chair of Hope Street's Millennial Advisory Group. Kat's previous experience includes more than seven years as a consultant in global media and communications. She has also managed humanitarian aid projects and fundraising through field work in Greece at the height of the Syrian refugee crisis.

Kat holds a Bachelor of Laws/Bachelor of Arts (Media & Communications) and Master of Laws. Through her Masters research, Kat explored human-rights-based approaches to regulation of essential services, data, competition and new technology, including artificial intelligence and the implications of the Consumer Data Right.

Kat was elected to the CHOICE Board in November 2020 and is a member of the Impact Committee.

Fiona Guthrie AM

Fiona has over 30 years' experience in consumer advocacy, including a number of years on the executive of the Consumers' Federation of Australia. Her main interest has been in advocating for people on low incomes or in vulnerable circumstances to get a fair go, particularly in the financial services marketplace.

Fiona has been the CEO of Financial Counselling Australia, the peak body for financial counsellors for over a decade. She has held directorships on Energex Retail Pty Ltd, the Insurance Ombudsman Service and the Financial Ombudsman Service, and was previously chair of ASIC's Consumer Advisory Panel. Fiona is currently a member of the ACCC's Consumer Consultative Committee and a member of the boards of Way Forward Debt Solutions and the Queensland Competition Authority. She holds a BA, LLB and MBA.

Fiona was made a member of the Order of Australia in 2017 for her work in social welfare and financial counselling. She joined the Board in November 2015 and is a member of the Finance, Risk and Audit Committee and Governance, Culture & Ethics Committee.

Fiona Jolly

Fiona is an experienced non-executive director who works with boards and businesses undergoing change and growth and operating in highly regulated areas. She brings government experience along with expertise in communications, traditional and digital media advertising and marketing, stakeholder engagement, and international trade.

Fiona is a Director of Goodwin Aged Care, Rural Financial Counselling Service (NSW), Daramalan College, Cricket ACT, ACT Cemeteries and Crematoria Authority and is an elected Councillor for HCF. Fiona has previously served as president of the YWCA of Australia and the chair of Australian Business Volunteers.

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)

ABN: 72 000 281 925

DIRECTOR'S REPORT

Fiona's executive career spans significant work on regulation reform with both the government and private sector. Spending nearly 10 years with Food Standards Australia New Zealand (FSANZ), she worked extensively on food policy issues with industry organisations and state and territory governments. Until 2020, Fiona was CEO of Ad Standards, the Australian advertising industry self-regulation body, and implemented significant reforms to the self-regulation system and to industry codes regulating advertising content. She was instrumental in setting up the International Council for Advertising Standards.

Fiona was elected to the CHOICE Board in November 2020 and is a member of the Governance, Culture & Ethics and the Membership Growth & Engagement Committees.

Alexandra Kelly

Alex is Director of Casework at the Financial Rights Legal Centre, which operates the National Debt Helpline in NSW, Mob Strong Debt Help and the Insurance Law Service. She is a member of the Law Council's Australian Consumer Law Committee and is the consumer representative on the Life Insurance Code Compliance Committee. She served on the Board of the Financial Counsellors of NSW from 2009 to 2012.

Alex has considerable experience developing consumer rights in the financial services sector through lobbying, working with regulators and government, and raising public awareness of issues in the media and through online financial literacy campaigns. She brings to the CHOICE Board high-level legal expertise, extensive sectoral knowledge, and understanding of social enterprises. She holds a Bachelor of Laws (Hons)/Bachelor of Psychology and Master of Laws.

Alex was appointed to the CHOICE Board in 2017 and is Chair of the Governance, Culture & Ethics and a member of the Impact Committee.

Ben Naparstek

Ben has a decade's experience managing cross-functional teams across content, marketing and emerging technologies. He headed up online at SBS and served as the digital director of communications marketing firm Edelman, leading the Australian office's team of videographers, designers, UX experts, social curators, paid media specialists, programmers and producers.

Ben has served as editor-in-chief of Fairfax Media's Good Weekend magazine and national current affairs magazine The Monthly. More recently, Ben headed up content for Audible Australia & New Zealand.

Ben was appointed to the CHOICE Board in October 2018 and is a member of the Membership Growth & Engagement and the Impact Committees.

Helen Wiseman (until 26 November 2020)

Helen Wiseman is a non-executive director, professional mentor and philanthropist with over 30 years business experience across a range of sectors including technology, food, pharmaceutical, insurance, energy and not for profits. A former KPMG partner, Helen is a highly experienced audit committee chair having held this role for a number of boards.

DIRECTOR'S REPORT

Helen is currently a non-executive director and audit committee chair for the South African holding company of the global Bidfood foodservice business. She is Chair of Elixinol Global Limited and a director of AIME. In 2018, Helen completed the 2018 INSEAD International Directors Program.

Helen also has a deep interest in supporting children of prisoners through her role as a Vice-Patron of SHINE for Kids. She also established the By My Side sub-fund of the Sydney Community Foundation to further her philanthropic support in this area.

Helen joined the CHOICE Board in November 2014 and was Chair of the Finance, Risk and Audit Committee until the end of her term in November 2020.

Company Particulars

The Australian Consumers' Association (trading as CHOICE) is incorporated in Australia. The address of the registered office and principal place of business is:

57 Carrington Road
MARRICKVILLE NSW 2204

Principal Activities

The principal activities of the Company during the financial year were the dissemination of consumer information to the general public and members of the Company through our website and publications, and advocacy on issues of importance to Australian consumers.

Company Purpose

Recognising the inequality in bargaining power between consumers and businesses, the overall purpose of the Company is to work for fair, just and safe markets that meet the needs of Australian consumers.

Strategy

2020-21 was the last year of a three-year strategy that sets three key priorities for increasing CHOICE's impact and sustainability:

1. Increase the power of consumers
2. Engage more people
3. Grow our revenue

In 2020-21, we achieved strong results in each of these areas, despite the challenges created by the COVID-19 pandemic.

Increase the power of consumers

Ensuring that consumers have power when dealing with businesses has always been core to CHOICE's purpose. We aim to build the power of consumers by equipping them with information to help them find the right products and services, and by campaigning for changes to the law and to harmful business practices.

DIRECTOR'S REPORT

In 2020-21 we helped to secure a number of important reforms for the benefit of consumers, including:

- over 20 laws implementing recommendations of the banking royal commission
- improvements to the way that insurers define bushfire damage in home and content policies
- a new standard for products including button batteries, to protect children from serious injury or death
- banning of the Commonwealth Bank's Dollarmites marketing program in schools in Victoria and the ACT.

Our ongoing partnership with Super Consumers Australia played an important role in securing a major overhaul of superannuation laws that will stop the creation of duplicate accounts and get rid of poorly-performing funds. This will significantly increase the retirement savings of millions of Australians in the future.

We also sought improvements to protect consumers from the impacts of the COVID-19 pandemic, leading to:

- new laws to protect consumers from ineffective hand sanitiser
- insurers agreeing not to rely upon unfair terms of total and permanent disability insurance policies
- improvements to the support that health insurers offered to people in financial hardship.

Engage more people

Given our purpose, it is vital that we work with people to understand their concerns, assist them and achieve change. We seek to increase the way that people connect with us in two key ways:

- by visiting choice.com.au on a regular basis
- by participating in our campaigns for change.

During the first three quarters of 2020-21, traffic to choice.com.au (as measured by the number of sessions) grew by 10% year on year, as people spent more time online and we focused on providing information that was relevant to their needs. As COVID-19 restrictions across the country eased in the first part of 2021, people spent less time online. Across the year, we saw a 5.6% increase in traffic.

Having grown the number of people engaged in our campaigns in recent years, we shifted focus in 2020-21 to asking people to work with us in deeper ways. People responded by making donations to help us test hand sanitiser and run advertisements in major newspapers, write personal messages to senators, and provide case studies for us to include in policy submissions.

These results introduced more people to CHOICE as potential members and helped us to secure the campaign wins outlined above, by demonstrating to politicians and businesses that people cared deeply about our calls for change.

Grow our revenue

Recognising that consumers were spending more time online, we focused on producing information and

DIRECTOR'S REPORT

test results on the products people were considering buying. We also continued to invest in technical changes to make it easier for people to find CHOICE in search engine results, and changes to choice.com.au to encourage more people to take out CHOICE membership. Improvements to our payments technology and regular email programs helped to encourage more people to stay with us for longer.

Together, these changes helped to grow total memberships by 9%, to 196,493, the highest level since 2009. Membership revenue grew by 7.6% year on year, reaching \$18.1M for the first time in CHOICE's history.

Growth in membership revenue helped to mitigate a drop in revenue from commercial testing and the CHOICE Recommended licensing scheme, which together delivered \$0.5M less than in the previous year as manufacturers were cautious about expenditure in an uncertain economic environment. Newer approaches to revenue showed more promise, with consumers donating \$0.10M to support our work and our service that helps people find a solar installer delivering \$0.18M in its first full year of operation.

Total revenue for the year grew \$0.94M or 4.3% year on year.

Performance measures

Consistent with the key areas of our strategy, we measure our performance through:

- the number of meaningful wins that we achieve for consumers
- the number of consumers helped to make decisions through our tools and services
- the number of people connected to CHOICE through our digital channels
- growth in total revenue.

The Board sets annual targets for each area and monitors performance through the year. As the commentary above demonstrates, the organisation achieved growth in all of these areas in 2020-21.

Review of financial operations and results

The 2020-21 year represented the first year after a four-year investment strategy that had seen us invest deeply in building the organisation's capabilities in innovation, digital product development, technology and online campaigning. That investment strategy had involved planned deficit budgets, drawing upon the organisation's cash reserves that had been built through previous years of strong financial performance.

The Board had indicated to members that it intended to return the organisation to surplus by June 2021 and that was what we achieved.

Our revenue in 2020-21 increased by 4.3% to \$22.96M. In recent years, we have sought to diversify revenue in order to mitigate the risk of our reliance on membership. The general intention of diversification of revenue is to have a range of revenue models that respond differently to economic circumstances and 2020-21 demonstrated this, with a 7.6% increase in membership revenue more than offsetting a 7.1% decrease in revenue from other sources.

DIRECTOR'S REPORT

Operating expenditure (excluding cost of sales and expenditure on the Travel Hub project explained in note 22) increased by \$0.15M (0.7%) to \$21.17M. The increase largely reflected continued investment in digital product development and innovation. Our investments in these areas were strategically important as they delivered continuous improvements in the way we helped consumers through choice.com.au, which was critical to the growth in website traffic and memberships. Some \$86,000 (0.4%) of operating expenditure was on activities to help consumers in the travel market, as explained in note 22.

Excluding Travel Hub expenditure, we ended the year with a surplus of \$0.26M, which exceeded the target set by the Board. We were pleased with this result given the challenging economic conditions created by the COVID-19 pandemic.

Our cash and investments balance increased by \$1.77M (excluding cash used from the travel grant). We ended the year with \$11.62M in cash and term deposits, providing a significant buffer over the cash reserves floor set by the Board.

Impact of COVID-19

The COVID-19 pandemic affected CHOICE in a range of ways. Financially, while revenue from some sources declined, the growth in online shopping behaviour helped us to grow CHOICE membership and, as a result, total revenue. This revenue growth meant that CHOICE did not qualify for JobKeeper payments from the Australian Government; nor did we need to implement staffing cuts or other measures to reduce salary expenditure.

The pandemic also influenced the issues that we covered in our editorial work and those we chose to campaign on. This helped to demonstrate the importance of an organisation like CHOICE in times that were extremely challenging for many consumers.

Operationally, most of our staff worked from home for a large proportion of the year. We made a deliberate decision to support a hybrid model of working, allowing staff to work from home where possible. This provided the organisation with increased resilience to changes in public health restrictions in response to the pandemic. The digital capabilities developed through investment in recent years were critical to this resilience, making it possible for our employees to work remotely and safely.

Events subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely development and expected results of operations

The Company expects to maintain the present status and level of operations.

Members Liability

The Company is incorporated under the Corporations Act 2001 (Cth) and is a public company limited by

DIRECTOR'S REPORT

guarantee. If the Company is wound up, the Company's constitution states that each voting member of the Company is required to contribute a maximum of \$1 each towards meeting any liabilities of the Company. As at 30 June 2021 the number of voting members was 6,760 (2020: 6,102).

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the board of directors.

Director: 

Anita Tang

Director: 

Samantha Challinor

Dated this 27th day of September 2021

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF AUSTRALIAN CONSUMERS' ASSOCIATION**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Australian Consumers' Association for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

27 September 2021

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
ABN: 72 000 281 925

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue from contracts with customers	3	22,455,978	21,549,338
Other revenue	4	501,051	468,605
Cost of sales		<u>(1,525,738)</u>	<u>(1,431,531)</u>
Gross profit		<u>21,431,291</u>	<u>20,586,412</u>
Less: expenses			
Technical and consumer research		(4,520,257)	(4,549,280)
Editorial content		(1,809,789)	(1,640,533)
Digital product development		(3,211,405)	(3,052,512)
Data & technology		(2,032,486)	(2,000,026)
Marketing		(1,978,063)	(2,111,512)
Subscriptions and customer services		(655,865)	(628,252)
General and administrative		(3,288,201)	(3,205,394)
Campaigns and communications		(1,563,661)	(1,546,545)
Innovation		(314,389)	(244,221)
Depreciation and amortisation		(929,685)	(1,068,909)
Facility and other operating		(291,612)	(315,209)
Superannuation Consumer Australia project		(578,767)	(664,380)
Travel Hub project	22	<u>(86,437)</u>	<u>(454,043)</u>
Total operating expenses		<u>(21,260,617)</u>	<u>(21,480,816)</u>
Income tax expense	1 (f)	-	-
Surplus/ (deficit) for the year		<u>170,674</u>	<u>(894,404)</u>
Other comprehensive income for the year		-	-
Total comprehensive income (loss) attributable to the members of the entity		<u>170,674</u>	<u>(894,404)</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
ABN: 72 000 281 925

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	6	1,878,198	2,202,029
Other financial assets	7	9,742,825	7,646,263
Trade and other receivables	8	930,275	859,680
Other assets	9	<u>605,128</u>	<u>635,993</u>
Total current assets		<u>13,156,426</u>	<u>11,343,965</u>
Non-current assets			
Intangible assets	10	298,941	685,683
Property, plant and equipment	11	<u>8,316,612</u>	<u>8,754,662</u>
Total non-current assets		<u>8,615,553</u>	<u>9,440,345</u>
Total assets		<u>21,771,979</u>	<u>20,784,310</u>
Current liabilities			
Trade and other payables	12	2,413,786	2,486,715
Contract liabilities	13	6,161,271	5,562,307
Provisions	14	<u>658,429</u>	<u>573,554</u>
Total current liabilities		<u>9,233,486</u>	<u>8,622,576</u>
Non-current liabilities			
Contract liabilities	13	284,999	263,218
Provisions	14	<u>292,571</u>	<u>108,267</u>
Total non-current liabilities		<u>577,570</u>	<u>371,485</u>
Total liabilities		<u>9,811,056</u>	<u>8,994,061</u>
Net assets		<u>11,960,923</u>	<u>11,790,249</u>
Equity			
Accumulated surplus		<u>11,960,923</u>	<u>11,790,249</u>
Total equity		<u>11,960,923</u>	<u>11,790,249</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated surplus \$	Total equity \$
Balance as at 1 July 2019	12,684,653	12,684,653
Deficit attributable to members	(894,404)	(894,404)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(894,404)</u>	<u>(894,404)</u>
Balance as at 30 June 2020	<u>11,790,249</u>	<u>11,790,249</u>
Balance as at 1 July 2020	11,790,249	11,790,249
Surplus attributable to members	170,674	170,674
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>170,674</u>	<u>170,674</u>
Balance as at 30 June 2021	<u>11,960,923</u>	<u>11,960,923</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
ABN: 72 000 281 925

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE
2021

	Note	2021 \$	2020 \$
Cash flow from operating activities			
Cash receipts from customers		25,711,554	23,728,322
Payments to suppliers and employees		<u>(23,798,176)</u>	<u>(23,253,350)</u>
Net cash provided by operating activities		<u>1,913,378</u>	<u>474,972</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		4,785	38,957
Payments for property, plant and equipment		(209,892)	(430,720)
Interest received		64,460	137,596
Net payments for term deposits		<u>(2,096,562)</u>	<u>(104,764)</u>
Net cash used in investing activities		<u>(2,237,209)</u>	<u>(358,931)</u>
Reconciliation of cash and cash equivalents			
Net increase / (decrease) in cash held		(323,831)	116,041
Cash and cash equivalents at the beginning of the financial year		<u>2,202,029</u>	<u>2,085,988</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,878,198</u></u>	<u><u>2,202,029</u></u>

The accompanying notes form part of these financial statements

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Australian Consumers' Association (Choice) as an individual entity. Australian Consumers' Association (Choice) is a Company limited by guarantee, incorporated and domiciled in Australia. Australian Consumers' Association (Choice) is a not-for-profit entity for the purpose of preparing the financial statements under Australian Accounting Standards.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements, except 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 select non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A liability is classified as current when:

- it is either expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

(d) Impairment of assets

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use.

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Accounting Standard. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables and payables in the statement of financial position.

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

(f) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgments 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.

(a) Estimation of the useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(b) Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from sale of goods	5,121,997	5,414,458
Revenue from provision of services	<u>17,333,981</u>	<u>16,134,880</u>
	<u><u>22,455,978</u></u>	<u><u>21,549,338</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical regions

Australia	22,455,978	21,549,338
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Timing of Revenue Recognition

Point in time	5,343,649	5,535,842
Over time	<u>17,112,329</u>	<u>16,013,496</u>
	<u><u>22,455,978</u></u>	<u><u>21,549,338</u></u>

Accounting policy - Revenue

The Company primarily derives revenue from the sale of goods, rendering of services, grants, interest and rent.

Revenue from the sale of goods, donations and commercial partners are recognised at the point in time when performance obligation is complete.

Revenue from rendering of a service is recognised over time as the performance obligation, being the provision of services from which customers receive benefit, is provided.

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

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
ABN: 72 000 281 925

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 4: OTHER REVENUE		
Interest	64,460	137,596
Rental income	381,806	272,939
Other revenue	<u>54,785</u>	<u>58,070</u>
	<u><u>501,051</u></u>	<u><u>468,605</u></u>

Accounting policy - Other revenue

Rental income is recognised over time as the performance obligation, being the provision of the property being let, is provided.

Interest revenue is recognised as interest accrues.

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

NOTE 5: SURPLUS/ (DEFICIT) FOR THE YEAR

The result for the year includes the following specific expenses:

Expected credit losses		
- Trade debtors	30,240	-
Employee benefits expense		
- Salaries excluding contributions to defined contribution superannuation funds	13,424,416	12,894,075
- Contributions to defined contribution superannuation funds	<u>1,273,592</u>	<u>1,204,357</u>
Total employee benefits	<u><u>14,698,008</u></u>	<u><u>14,098,432</u></u>
Depreciation and amortisation		
- Land and buildings	297,781	302,917
- Plant and equipment	346,611	345,668
- Intangible assets	<u>285,293</u>	<u>420,323</u>
Total depreciation and amortisation	<u><u>929,685</u></u>	<u><u>1,068,908</u></u>
Impairment		
- Plant and equipment	-	4,866
- Intangible assets	<u>101,449</u>	<u>77,739</u>
	<u><u>101,449</u></u>	<u><u>82,605</u></u>

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	-	1,386
Cash at bank	<u>1,878,198</u>	<u>2,200,643</u>
	<u>1,878,198</u>	<u>2,202,029</u>

Accounting policy - Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in the current liabilities in the statement of financial position.

NOTE 7: OTHER FINANCIAL ASSETS

Short term deposits with maturity dates of 3-12 months	<u>9,742,825</u>	<u>7,646,263</u>
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NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

Receivables from contracts with customers	935,222	801,219
Allowance for expected credit losses	<u>(30,240)</u>	<u>-</u>
	904,982	801,219
Other receivables	<u>25,293</u>	<u>58,461</u>
	<u>930,275</u>	<u>859,680</u>

Accounting policy - Receivables from contracts with customers

A receivable from a contract with a customer represents the Company's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e. only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost, less any allowance for expected credit losses.

NOTE 9: OTHER ASSETS

CURRENT

Prepayments	546,176	524,713
Accrued income	<u>58,952</u>	<u>111,280</u>
	<u>605,128</u>	<u>635,993</u>

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 10: INTANGIBLE ASSETS		
Website development & work in progress at cost	1,929,719	2,262,828
Less: Accumulated amortisation	<u>(1,630,778)</u>	<u>(1,591,101)</u>
	298,941	671,727
Database management at cost	190,679	190,679
Less: Accumulated amortisation	<u>(190,679)</u>	<u>(176,723)</u>
	-	13,956
Computer software at cost	3,817,502	3,817,502
Less: Accumulated amortisation	<u>(3,817,502)</u>	<u>(3,817,502)</u>
	-	-
Total intangible assets	<u><u>298,941</u></u>	<u><u>685,683</u></u>

Accounting policy - Intangible assets

Intangible assets are initially recognised at cost. They have a finite life and are carried at cost less any accumulated amortisation or impairment losses. Intangibles have a useful life of 3-5 years and are assessed annually for impairment.

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Website development & work in progress

Opening balance	671,727	1,162,895
Additions	-	4,400
Impairment	(101,449)	(77,739)
Amortisation charge	(271,337)	(398,053)
Reclassification to property, plant and equipment	<u>-</u>	<u>(19,776)</u>
Closing balance	<u><u>298,941</u></u>	<u><u>671,727</u></u>

Database management

Opening balance	13,956	36,226
Amortisation charge	<u>(13,956)</u>	<u>(22,270)</u>
Closing balance	<u><u>-</u></u>	<u><u>13,956</u></u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at deemed cost	<u>1,400,000</u>	<u>1,400,000</u>
Buildings at deemed cost	9,286,106	9,218,389
Less: accumulated depreciation	<u>(3,091,480)</u>	<u>(2,793,698)</u>
	<u>6,194,626</u>	<u>6,424,691</u>
Total land and buildings	<u>7,594,626</u>	<u>7,824,691</u>
Plant and equipment		
Plant and equipment at cost	5,000,854	4,858,679
Less: accumulated depreciation	<u>(4,278,868)</u>	<u>(3,928,708)</u>
	<u>721,986</u>	<u>929,971</u>
Total property, plant and equipment	<u>8,316,612</u>	<u>8,754,662</u>

Accounting policy - Property, plant and equipment

Each class of property, plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Freehold Property

Freehold land and buildings are initially recorded at cost. Where freehold land and buildings were acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Plant and equipment

Plant and equipment is measured on the cost basis less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2021 **2020**
\$ **\$**

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings	2-20%	Straight line
Plant and equipment	5-33.3%	Straight line
Motor vehicles	20%	Straight line

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

Each asset class' carrying amount is written down immediately to its recoverable amount if the class' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss.

(a) Reconciliations

Movement in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

Freehold land and buildings

Opening carrying amount	7,824,691	8,068,574
Additions	67,716	54,634
Depreciation expense	(297,781)	(302,917)
Reclassification of assets from intangible assets	-	4,400
Closing carrying amount	<u>7,594,626</u>	<u>7,824,691</u>

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Plant and equipment</i>		
Opening carrying amount	929,971	924,649
Additions	205,249	371,686
Disposals	(66,622)	(31,206)
Depreciation expense	(346,611)	(345,668)
Impairment	-	(4,866)
Reclassification of assets from intangible assets	-	15,376
Closing carrying amount	<u>721,987</u>	<u>929,971</u>

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	334,690	288,345
Other current payables	<u>2,079,096</u>	<u>2,198,370</u>
	<u>2,413,786</u>	<u>2,486,715</u>

Accounting policy - Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled and are included in other current payables. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
NOTE 13: CONTRACT LIABILITIES		
CURRENT		
Contract liabilities from provision of services	<u>6,161,271</u>	<u>5,562,307</u>
NON-CURRENT		
Contract liabilities from provision of services	<u>284,999</u>	<u>263,218</u>

Accounting policy - Contract liabilities

A contract liability represents the Company's obligation to transfer goods or services to the customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Company transfers the contracted goods or services to the customer.

NOTE 14: PROVISIONS

CURRENT		
Long service leave	<u>658,429</u>	<u>573,554</u>
NON CURRENT		
Long service leave	<u>292,571</u>	<u>108,267</u>
Total provisions	<u>951,000</u>	<u>681,821</u>

Accounting policy – Provision for Long-term Employee Benefits

The provision for other long-term employee benefits, including obligations for long service leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	\$	\$
		Long Service
		Leave
		\$
Movements in carrying amounts:		
Carrying amount at beginning of the year		681,821
Additional provisions raised during the year		274,293
Amounts used		<u>(5,114)</u>
Carrying amount at end of the year		<u>951,000</u>

NOTE 15: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the Directors, there are no contingencies to disclose at 30 June 2021 (30 June 2020: None).

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel of the Company during the year follows:

Key management personnel compensation	<u>1,712,481</u>	<u>1,806,644</u>
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NOTE 17: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

There were no related party transactions during the year.

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, short-term investments, credit card facilities and accounts receivable and payable. The Company does not have any derivative instruments at 30 June 2021.

The carrying amounts 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:

	2021	2020
	\$	\$
Financial assets		
- Cash and cash equivalents	1,878,198	2,202,029
- Other financial assets	9,742,825	7,646,263
- Trade and other receivables	<u>930,275</u>	<u>859,680</u>
Total financial assets	<u>12,551,298</u>	<u>10,707,972</u>
Financial liabilities		
- Trade and other payables	<u>2,413,786</u>	<u>2,486,715</u>
Total financial liabilities	<u>2,413,786</u>	<u>2,486,717</u>

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. Except for the COVID-19 and subsequent government actions, the impacts of which cannot be determined on the Company at this time, there has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2021, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2021, of the Company.

NOTE 20: COMMITMENTS

As at the time of signing the financial statements the Company had no commitments to disclose at 30 June 2021 (30 June 2020: None).

AUSTRALIAN CONSUMERS' ASSOCIATION (CHOICE)
ABN: 72 000 281 925

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 21: MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute to a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of voting members was 6,760 (2020: 6,102). The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$6,760.

	2021	2020
	\$	\$
NOTE 22: TRAVEL HUB FUNDING DISBURSEMENT		
Funding		
Grant receipt	-	-
Funding opening balance	<u>86,437</u>	<u>540,480</u>
Expenses		
Project manager	-	1,080
Travel Insurance Selector Tool	-	258,642
Content creation and publishing	76,251	144,404
Digital producer	-	293
Marketing manager	-	3,465
Travel and accommodation	2,088	90
Policy and project officer	8,098	25,341
Legal	-	16,346
Other	-	<u>4,382</u>
Total Expenses	<u>86,437</u>	<u>454,043</u>
Funding Closing Balance	<u>-</u>	<u>86,437</u>

The Company received a one-off grant of \$2.8M during the financial year ended 30 June 2015. This grant was to be used over a four and a half year term ending in January 2019 to better provide information, tools and advice to Australian consumers in the travel market. The grant period has been extended and the project was completed in January 2021. Against this grant, the Company has spent \$86,437 in this financial year to meet its objectives pursuant to the grant. This is now the sixth and final year of the agreement and the Company has spent a total of \$2,799,430 over the term, fully expending the funding balance at year end.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 12 - 29, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position as at 30 June 2021 and 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: 

Anita Tang

Director: 

Samantha Challinor

Dated this 27th day of September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN CONSUMERS' ASSOCIATION
ABN 72 000 281 925**

Report on the Financial Report

Opinion

We have audited the financial report of Australian Consumers' Association ("the Company"), a company limited by guarantee, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN CONSUMERS' ASSOCIATION
ABN 72 000 281 925**



- 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.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Melina Alexander

M A ALEXANDER
Partner

Pitcher Partners

PITCHER PARTNERS
Sydney

27 September 2021