

SUPERANNUATION CONSUMERS' CENTRE LTD

ABN 34 163 636 566



FINANCIAL REPORT
for the financial year ended 30 June 2022

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

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Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Directors' Report

The Board presents its report, together with the financial statements, on Superannuation Consumers' Centre Ltd (referred to hereafter as the 'Centre') for the year ended 30 June 2022.

1. Directors

The following persons were Directors of the Centre during the financial year:

Board member	Board meetings	
	Eligible to attend	Number attended
Rodney Stowe (Chair)	5	5
Jenni Mack (until February 2022)	3	3
Susan Thorp	5	4
Kevin Davis	5	5
Shane Tregillis	5	5
Elissa Freeman (from February 2022)	3	3

2. Secretary

The secretary of the Centre during or since the end of the financial year was:

Linda Magee

3. About the Association

Superannuation Consumers' Centre advances and protects the interests of low and middle income people in Australia's superannuation system. It was founded in 2013 and received funding for the first time in 2018. We will change the superannuation system through:

- Campaigning and policy: We use real people's stories to shine a light on the biggest problems in superannuation.
- Investigative journalism: We uncover the truth about issues people have with their retirement savings and provide practical advice to help cut through the spin.
- Research and analysis: Our rigorous, conflict-free research lifts the lid on fund performance, fees and insurance. We turn this analysis into action by using it to back reform and make super easier for people to understand.

We work hard to keep the super industry accountable and fair.

4. Performance

The surplus of the Centre for the year amounted to \$91,265 (2021 Deficit: \$434,491).

Other than disclosed in this financial report, no significant changes in the Centre's state of affairs occurred during the financial year.

2021-22 was the fourth year of operations with start-up funding from the community benefit payments granted to the Centre. We have acquitted the community benefit payment agreements with effect from 1 April 2022. From 1 April 2022, our operations in the period have been funded from a Federal Government grant. The Federal Government grant funding provides \$1.6mil until 30 June 2023.

Our operational spending was less than planned for a range of reasons. CHOICE remained our delivery partner as we continued our organisational transition. This partnership has delivered significant savings. In addition, spending on some expected items, such as travel, was significantly reduced due to the lock downs caused by the COVID-19 pandemic.

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Directors' Report

4. Performance (continued)

We have successfully sought philanthropic funding (\$500,000 per year, for three years commencing in 2022-23) which allows us to continue at or near current levels until the end of 2023/24. This funding will also support certain limited operations during 2024-25.

Over the last financial year we have achieved major improvements to the superannuation system for consumers. We have also progressed other consumer issues significantly. Below is a summary of our key achievements.

Major wins for consumers

2021/2022



We fought for the removal of occupational exclusions from default insurance. Our advocacy resulted in the Financial Services Council developing a standard to protect consumers from occupational exclusions. It also led to Treasury consulting on legislative solutions to the problem.



We made it easier to plan for retirement by helping answer the biggest question people have - 'how much do you need to save to retire?' We conducted extensive research on retiree expectations and expenditure patterns, consulting with industry experts and regulators to develop practical savings targets. The retirement targets have been adopted by one of the key sources people consult for retirement planning, the ASIC Moneysmart website.



We continued to advocate for and protect the object of superannuation as supporting people's retirement income needs. In particular, we used evidence from our retirement research to assess calls for super to be used for other purposes, including housing. Instead proposing targeted policy solutions to address the income poverty and financial stress being experienced by people who rent.



We supported the passage of a new law that makes superannuation assets visible during divorce settlements. This reform will make settlements fairer for spouses going through divorce, helping to address gender inequality in retirement incomes.



We supported the removal of the \$450 month super threshold, meaning an additional 300,000 Australians (predominantly women on low incomes) will receive super.



We continued our campaign for fair insurance in super by highlighting which funds were still maintaining restrictive definitions in their default insurance. Since our campaign began we've made significant gains for consumers - of the 19 funds that we contacted, 14 have either removed or shown significant improvement in the quality of their coverage. This research driven campaign is in its final stages and has achieved a massive improvement in the quality of coverage, particularly for people in part-time, casual, unemployment and those making mental health based claims.

Superannuation Consumers' Centre Ltd

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Directors' Report

4. Performance (continued)

Progress to better outcomes for consumers

2021/2022



We kept funds accountable for the claims they made in their member outcomes assessments about how they are acting in the best interests of their members. To do this, we reviewed their self-assessments. The research looked at the accuracy of claims made and uncovered misleading characterisations of how well funds are serving their members' interests. We will follow up on this research to keep track of promises funds have made to improve.



We successfully advocated for the open finance regime to be extended to superannuation. The regime has the potential to make it easier for people to shop around and better understand how their needs align with market offers.



We supported the passage of the Retirement Income Covenant into law, which will require funds to develop better strategies and products to help people maximise their incomes in retirement. We are concerned by the large discretion given to funds in delivering on this covenant and will continue to shape good outcomes by working with industry to understand how best to deliver on these new obligations

5. Auditor's Independence Declaration

The auditor's independence declaration, for the financial year ended 30 June 2022 has been received and can be found on page 6.

6. Events after the reporting period

The Centre's funding is set to expire at the end of 2024-25. We are in the process of developing long-term funding solutions to allow the work of the Centre to continue beyond this date.

Signed in accordance with a resolution of the Board:

Rod Stowe

Chair: _____

Susan Thorp

Director: _____

Dated: 31 October 2022

Dated: 31 October 2022

AUDITOR'S INDEPENDENCE DECLARATION**TO THE BOARD OF SUPERANNUATION CONSUMERS' CENTRE LTD**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act, as lead auditor for the audit of Superannuation Consumers' Centre Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Name of Firm: Moore Australia Audit NSW

Name of Partner: _____
Charles Oosthuizen

Date: 31 October 2022

Address: Level 14, 9 Castlereagh Street, Sydney NSW 2000

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Statement of Profit or Loss and Other Comprehensive Income

Figures in Australian Dollars	Notes	2022	2021
Income			
Revenue	2	883,333	270,833
Other income		1,806	395
Interest income		1,776	7,717
		<u>886,915</u>	<u>278,945</u>
Expenses			
General expenses	3	<u>(795,650)</u>	<u>(713,436)</u>
Surplus / (Deficit) before tax		91,265	(434,491)
Tax expense		-	-
Surplus / (Deficit) for the year		<u>91,265</u>	<u>(434,491)</u>

The accompanying notes form part of these financial statements

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Australian Dollars	Notes	2022	2021
Assets			
Current Assets			
Cash and cash equivalents	4	1,213,517	1,184,677
Trade and other receivables	5	38,601	34,847
Total Current Assets		1,252,118	1,219,524
Total Assets		1,252,118	1,219,524
Liabilities			
Current Liabilities			
Trade and other payables	6	259,001	234,339
Contract liability	7	446,369	-
Amounts received in advance		-	83,333
Total Current Liabilities		705,370	317,672
Total Liabilities		705,370	317,672
Net Assets		546,748	901,852
Equity			
Accumulated surplus		546,748	901,852
Total Equity		546,748	901,852

The accompanying notes form part of these financial statements

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Statement of Changes in Equity as at 30 June 2022

Figures in Australian Dollars	Accumulated surplus	Total equity
Balance at 1 July 2020	1,336,343	1,336,343
Deficit for the year	(434,491)	(434,491)
Balance at 30 June 2021	901,852	901,852
Balance at 1 July 2021	901,852	901,852
Surplus for the year	91,265	91,265
Recognition of contract liability *	(446,369)	(446,369)
Balance at 30 June 2022	546,748	546,748

* A contract liability has been recognised, as referred to in Note 7, in respect of amounts previously recognised as revenue in the statement of profit or loss and other comprehensive income

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Statement of Cash Flows

Figures in Australian Dollars	Notes	2022	2021
Cash flows from operating activities			
Receipts from funders and other income		803,582	250,395
Payments to suppliers and employees		(776,519)	(702,375)
Interest received		1,776	7,717
Net cash flows from operating activities	8	28,839	(444,263)
Net change in cash and cash equivalents		28,839	(444,263)
Cash and cash equivalents at the beginning of the year		1,184,677	1,628,940
Cash and cash equivalents at the end of the year	4	1,213,517	1,184,677

The accompanying notes form part of these financial statements

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Superannuation Consumers' Centre Ltd (the Centre) as an individual not-for-profit entity. The Centre is incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Board on 31 October 2022.

(a) Basis of Preparation

The Centre, a not-for-profit entity, has prepared special purpose financial statements as, in the opinion of the Directors, it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs. Accordingly, these financial statements have been prepared to satisfy the Directors' reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies and AASB 1054 Australian Additional Disclosures. The recognition and measurement requirements that have not been complied with are those specified in AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities as, in accounting for income, the Centre has recognised revenue in accordance with the policy described in Note 1(c).

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

(b) Income tax

As the Centre is a charitable institution in terms of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

(c) Revenue and other income

Funding and donation income are recognised when the Centre obtains control over the funds, which is generally at the time of receipt.

Interest income is recognised using the effective interest rate method.

If a contract liability is recognised in relation to the funding received above, the Centre recognises income in profit or loss when or as it satisfies its obligations.

If conditions are attached to the funding received that must be satisfied before the Centre is eligible to receive the contribution, recognition of the funding as revenue will be deferred until those conditions are satisfied.

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

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Notes to the Financial Statements

(d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(e) Accounts receivable

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from third parties. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(f) Accounts payable

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Centre during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Cash and cash equivalents

Cash and cash equivalents include deposits held at-call with banks, and other short-term highly liquid investments with maturities of twelve months or less.

(h) Impairment of assets

At the end of each reporting period, the Centre reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in surplus or deficit.

(i) Changes in accounting standards issued but not yet effective

Several new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 30 June 2022, with early adoption permitted, but have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Centre.

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Australian Dollars	2022	2021
2 Revenue		
Government grants	800,000	-
Retirement Standards Project Funding	83,333	166,666
Community Benefit Payments	-	104,167
	883,333	270,833
3 Results for the year		
Results for the year were derived after accounting for the following specific items:		
CHOICE service fee *	769,183	685,657
Accounting and audit fees	11,624	11,593
Secretarial fees	12,000	12,000
Insurance	2,208	2,078
Sundry expenses	635	2,108
	795,650	713,436
* Comprises of fees for the provision of management services, including payroll (for 8.5 FTEs employed by CHOICE to deliver the Centre's work), HR, IT, design and senior staff support.		
4 Cash and cash equivalents		
Term deposits	800,000	1,004,648
Bank balances	413,517	180,029
	1,213,517	1,184,677
5 Trade and other receivables		
GST receivable	38,601	34,847
	38,601	34,847
6 Trade and other payables		
Trade payables	251,501	226,839
Accrued expenses	7,500	7,500
	259,001	234,339
7 Contract liability		
Contract liability - Community Benefit Payments	446,369	-
	446,369	-

This balance represents the Centre's obligation to transfer goods or services in future, for which the funds have already been received.

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Notes to the Financial Statements

Figures in Australian Dollars 2022 2021

8 Notes to the statement of cash flows

Reconciliation of result for the period to cash flows from operating activities

Surplus/(Deficit) for the year	91,265	(434,491)
- decrease/(increase) in trade and other receivables	(3,754)	8,345
- increase in trade and other payables	24,661	2,717
- decrease in amounts received in advance	(83,333)	(20,834)
	<u>28,839</u>	<u>(444,263)</u>

9 Events after the reporting period

The financial report was authorised for issue on 31 October 2022 by the Board.

The Centre's funding is set to expire at the end of 2024-25. It is in the process of developing long-term funding solutions to allow the work of the Centre to continue beyond this date.

10 Contingencies

There are no contingent liabilities or contingent assets as at the end of the reporting period (2021: \$nil).

11 Related parties

There were no transactions with related parties during the reporting period (2021: \$nil).

12 Commitments

There are no capital or operating lease commitments as at the end of the reporting period (2021: \$nil).

13 Impact of COVID-19

The COVID-19 pandemic has continued to persist in 2022, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Centre has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its people. At this stage, the impact on the Centre's business and results has not been significant, however there is a high degree of uncertainty surrounding the future and the long-lasting financial impact that COVID-19 will have on the Centre. The Centre will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue operations in the best and safest way possible without jeopardising the health of its people. All things considered, the Board is of the view that the Centre continues to be a going concern on the basis that it has sufficient reserves to continue trading for the foreseeable future.

14 Auditor's remuneration

Moore Australia Audit NSW and related network firms:

- Audit of the financial report	7,500	7,500
	<u>7,500</u>	<u>7,500</u>

Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2022

Directors' Declaration

The Board has determined that the Centre is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the Board, the Directors of the Centre declare that:

- (a) there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they become due and payable; and
- (b) the financial report and notes satisfy the requirements of the Australian Accounting Standards, to the extent described in Note 1 to the financial report, and the Australian Charities and Not-for-profits Commission Act.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Chair: Rod Stowe

Director: Susan Thorp

Dated: 31 October 2022

Dated: 31 October 2022

INDEPENDENT AUDITOR'S REPORT**To the members of Superannuation Consumers' Centre Ltd****Opinion**

We have audited the financial report of Superannuation Consumers' Centre Ltd (the Centre), which comprises the statement of financial position as at 30 June 2022, the statement of 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 statement by the Directors.

In our opinion, the financial report of the Centre has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) giving a true and fair view of the Centre's financial position as at 30 June 2022, and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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 Association in accordance with 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial report has been prepared to assist the Centre to meet the requirements of the Australian Charities and Not-for-Profits Commission Act and its members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors

The Directors of the Centre are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, to the extent described in Note 1 to the financial report, and the Australian Charities and Not-for-profits Commission Act, and for such internal control as they 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 Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibility

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 the 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 this 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 Centre'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 Centre'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 Centre 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.

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.

Name of Firm: Moore Australia Audit NSW

Name of Partner: _____
Charles Oosthuizen

Date: 31 October 2022

Address: Level 14, 9 Castlereagh Street, Sydney NSW 2000