

# **SUPERANNUATION CONSUMERS' CENTRE LTD**

ABN 34 163 636 566



**FINANCIAL REPORT**  
for the financial year ended 30 June 2021

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

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# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Directors' Report

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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 2021.

### 1. Directors

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

Board member	Board meetings	
	Eligible to attend	Number attended
Rodney Stowe (Chair)	4	4
Jenni Mack	4	4
Susan Thorp	4	4
Kevin Davis	4	4
Shane Tregillis	4	4

### 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 deficit of the Centre for the year amounted to \$434,491 (2020 Surplus: \$493,584).

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

2020-21 was the third year of operations with funding from the community benefit payments granted to the Super Consumers Centre.

Our operational spending was less than planned for a range of reasons. In part, we have found significant savings in our work through research agreements and our partnership with CHOICE. In part, spending on some expected items, such as travel, was significantly reduced due to the lock down caused by the COVID-19 pandemic.

We are able to continue operations at current levels until the end of financial year 2021/22. We have successfully sought federal government funding which allows us to operate for an additional two years. We are currently finalising the contract for this funding agreement.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Directors' Report

### 4. Performance (continued)

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



We worked with parliament to see the Your Future, Your Super legislation enacted. This ended the creation of costly duplicate accounts, will cut off the tail of underperforming funds and introduced a product comparison tool to help consumers find a better super fund.



We worked with industry to improve the fairness of insurance policies by removing or reducing the impact of restrictive 'Activities of Daily Living' tests. We used research to show the prevalence of these terms in the market and wrote to funds with the most restrictive encouraging them to dump them. This resulted in half the funds in our sample taking action to reduce or remove their impact. We have also worked with the Financial Services Council to prohibit members' use of occupational exclusions in insurance policies.



We worked with parliament to remove the \$450/month earning threshold after which people are paid super. After successfully capping fees and improving insurance last year, this change could be made to improve the retirement standards of people on low incomes.



We worked with parliament to remove the \$450/month earning threshold after which people are paid super. After successfully capping fees and improving insurance last year, this change could be made to improve the retirement standards of people on low incomes.



Hayne Royal Commission reforms passed in February (including financial advice in super reforms)

2020



Anti-hawking legislation passed parliament in December 2020 and came into effect in October 2021. Financial service providers will no longer be allowed to cold call consumers and pressure them into signing up for financial products.



Financial Services Council acknowledged that default insurance in super is inappropriately restrictive for some members, and suspended use of ADL tests between July 2020 and January 2021 in light of the economic impacts of the COVID-19 pandemic.



In August 2020 the Your Super, Your Choice bill passed parliament, allowing employees under new workplace determinations or enterprise agreements have the right to choose their superannuation fund.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Directors' Report

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### 4. Performance (continued)

## Progress to better outcomes for consumers

2020/21



Achieved important reforms to the Retirement Income Covenant legislation in the first round of consultation, including increased requirements for funds to use data to help them reflect on the needs of key cohorts in their membership. We are in the process of responding to the second stage of consultation.



We have secured temporary funding from the Federal Government to continue operating for the next two years. We are seeking ongoing government funding as well as donations and grants.



We have released research and continue work on making the retirement planning phase simpler. Including developing a tool to help people understand how much they need to save for retirement to maintain their standard of living.

### 5. Auditor's Independence Declaration

The auditor's independence declaration, for the financial year ended 30 June 2021 has been received and can be found on page 6.

### 6. Events after the reporting period

The Centre's project based funding is set to expire by January 2022. We are in the process of developing long-term funding solutions to allow the work of the Centre to continue beyond this date. Also the ongoing significance of COVID-19 continues to be managed by staff and the Board.

Signed in accordance with a resolution of the Board:

Chair:

Director:

Dated:

17 November 2021

Dated:

17 November 2021

**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 2021, 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.

[REDACTED]  
Name of Firm: Moore Australia Audit NSW

[REDACTED]  
Name of Partner: Charles Oosthuizen

Date: 17 November 2021

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

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Australian Dollars	Notes	2021	2020
<b>Income</b>			
Revenue	2	270,833	1,250,000
Other income		395	-
Interest income		7,717	39,292
		<u>278,945</u>	<u>1,289,292</u>
<b>Expenses</b>			
General expenses	3	<u>(713,436)</u>	<u>(795,708)</u>
<b>(Deficit) / Surplus before tax</b>		<b>(434,491)</b>	<b>493,584</b>
Tax expense		-	-
<b>(Deficit) / Surplus for the year</b>		<b><u>(434,491)</u></b>	<b><u>493,584</u></b>

The accompanying notes form part of these financial statements

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Statement of Financial Position as at 30 June 2021

Figures in Australian Dollars	Notes	2021	2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,184,677	1,628,939
Trade and other receivables	5	34,847	43,192
<b>Total Current Assets</b>		<b>1,219,524</b>	<b>1,672,131</b>
<b>Total Assets</b>		<b>1,219,524</b>	<b>1,672,131</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	234,339	231,621
Amounts received in advance		83,333	104,167
<b>Total Current Liabilities</b>		<b>317,672</b>	<b>335,788</b>
<b>Total Liabilities</b>		<b>317,672</b>	<b>335,788</b>
<b>Net Assets</b>		<b>901,852</b>	<b>1,336,343</b>
<b>Equity</b>			
Accumulated surplus		901,852	1,336,343
<b>Total Equity</b>		<b>901,852</b>	<b>1,336,343</b>

The accompanying notes form part of these financial statements



# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Statement of Changes in Equity as at 30 June 2021

<b>Figures in Australian Dollars</b>	<b>Accumulated surplus</b>	<b>Total equity</b>
<b>Balance at 1 July 2019</b>	<b>842,759</b>	<b>842,759</b>
Surplus for the year	493,584	493,584
<b>Balance at 30 June 2020</b>	<b>1,336,343</b>	<b>1,336,343</b>
<b>Balance at 1 July 2020</b>	<b>1,336,343</b>	<b>1,336,343</b>
Deficit for the year	(434,491)	(434,491)
<b>Balance at 30 June 2021</b>	<b>901,852</b>	<b>901,852</b>

The accompanying notes form part of these financial statements

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Statement of Cash Flows

Figures in Australian Dollars	Notes	2021	2020
<b>Cash flows from operating activities</b>			
Receipts from funders and other income		250,395	-
Payments to suppliers and employees		(702,375)	(730,790)
Interest received		7,717	39,292
<b>Net cash flows from operating activities</b>	7	<b>(444,263)</b>	<b>(691,498)</b>
<b>Net change in cash and cash equivalents</b>		<b>(444,263)</b>	<b>(691,498)</b>
Cash and cash equivalents at the beginning of the year		1,628,939	2,320,437
<b>Cash and cash equivalents at the end of the year</b>	4	<b>1,184,677</b>	<b>1,628,939</b>

The accompanying notes form part of these financial statements

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Notes to the Financial Statements

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### 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 17 November 2021.

#### (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, AASB 1048, Interpretation of Standards Changes in Accounting Estimates and Errors 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

Revenue is recognised when it is probable that the economic benefit will flow to the Centre and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

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.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Notes to the Financial Statements

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### (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 2021, 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 2021

## Notes to the Financial Statements

Figures in Australian Dollars	2021	2020
<b>2 Revenue</b>		
Retirement Standards Project Funding	166,666	-
Community Benefit Payments	104,167	1,250,000
	<b>270,833</b>	<b>1,250,000</b>
<b>3 Results for the year</b>		
Results for the year were derived after accounting for the following specific items:		
CHOICE service fee *	685,657	771,996
Accounting and audit fees	11,593	11,514
Secretarial fees	12,000	9,750
Insurance	2,078	2,257
Sundry expenses	2,108	191
	<b>713,436</b>	<b>795,708</b>
* Comprises of fees for the provision of management services, including payroll, HR, IT, design and senior staff support.		
<b>4 Cash and cash equivalents</b>		
Term deposits	1,004,648	1,000,000
Bank balances	180,029	628,939
	<b>1,184,677</b>	<b>1,628,939</b>
<b>5 Trade and other receivables</b>		
GST receivable	34,847	40,192
Prepayments	-	3,000
	<b>34,847</b>	<b>43,192</b>
<b>6 Trade and other payables</b>		
Trade payables	226,839	222,697
Accrued expenses	7,500	8,924
	<b>234,339</b>	<b>231,621</b>
<b>7 Notes to the statement of cash flows</b>		
Reconciliation of result for the period to cash flows from operating activities		
Surplus/(Deficit) for the year	(434,491)	493,584
- decrease/(increase) in trade and other receivables	8,345	(10,092)
- increase in trade and other payables	2,717	75,010
- decrease in amounts received in advance	(20,834)	(1,250,000)
	<b>(444,263)</b>	<b>(691,498)</b>

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Notes to the Financial Statements

Figures in Australian Dollars	2021	2020
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### 8 Events after the reporting period

The financial report was authorised for issue on 17 November 2021 by the Board.

The Centre's project based funding is set to expire by January 2022. We are in the process of developing long-term funding solutions to allow the work of the Centre to continue beyond this date. Also the ongoing significance of COVID-19 continues to be managed by staff and the Board.

### 9 Contingencies

There are no contingent liabilities or contingent assets as at the end of the reporting period (2020: \$nil).

### 10 Related parties

There were no transactions with related parties during the reporting period (2020: \$nil).

### 11 Commitments

There are no capital or operating lease commitments as at the end of the reporting period (2020: \$nil).

### 12 Impact of COVID-19

The COVID-19 pandemic has continued to endure in 2021, 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.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2021

## Directors' Declaration

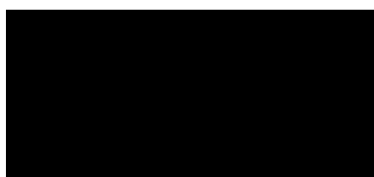
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The Board has determined that the Centre is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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: \_\_\_\_\_



Director: \_\_\_\_\_

Dated: 17 November 2021

Dated: 17 November 2021

**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 2021, 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 Association's financial position as at 30 June 2021, 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.

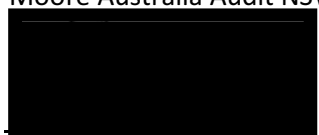
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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: 17 November 2021

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