

Australian Consumers' Association (CHOICE)

ABN 72 000 281 925

Financial Report For the year ended 30 June 2023

Australian Consumers' Association (CHOICE)

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For the year ended 30 June 2023

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**Australian Consumers' Association (CHOICE)
Directors' report
For the year ended 30 June 2023**

The directors present their report together with the financial report of Australian Consumers' Association ("the Company") and its controlled entity ("the consolidated entity") for the year ended 30 June 2023 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			5	5	7	7
Robert Southerton		24 Nov 2022	3	3	6	6
Nic Cola			5	5	11	10
Samantha Challinor			5	5	7	7
Katherine George			5	4	8	7
Fiona Guthrie			5	5	11	7
Fiona Jolly			5	4	10	8
Alexandra Kelly			5	4	8	6
Ben Naparstek		11 Jan 2023	3	2	4	3
Jamie Pride			5	5	10	9
Amanda Robbins	24 Nov 2022		2	2	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 (Co-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. 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 statutory bodies and Parliamentary Committees.

Anita has completed non-profit leadership programs at Harvard and at Stanford, and served on the Boards of numerous non-profits that focus on rights and justice particularly in the disability and racial justice areas.

She is a longstanding 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 and was appointed Chair in 2020, and in 2021, became part of an inaugural new leadership model of Co-Chairing. She is also Chair of the Impact Committee and a member of the Governance, Culture and Ethics Committee.

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Robert Southerton (Co-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 bank and telecommunications provider Unwired. He has a focus on 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 eucalypts.

Robert joined the CHOICE Board in September 2014 and was appointed Deputy Chair in November 2020, and in 2021, became part of an inaugural new leadership model of Co-Chairing, along with Anita Tang. He was a member of the Finance, Risk & Audit and the Governance, Culture & Ethics Committees. Robert's final term ended at the Annual General Meeting held on 24 November 2022.

Nic Cola (Co-Chair)

Nic is currently the CEO of RMIT Online and also acts as Chair of Picaluna, a disruptor in the funeral industry. Nic has over 25 years of CEO experience in high growth, 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 General Manager of Retail and Digital at Helloworld Ltd, 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) 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 from November 2022 stepped into the Co-Chair role, alongside Anita. Nic is also Chair of the Membership Growth & Engagement Committee and a member of the Finance, Risk & Audit Committee.

Samantha Challinor

Samantha is a non-executive director, with 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 audit risk committee chair with RSL LifeCare, a non-executive director and finance audit and risk committee chair with Sydney North Health Network. She holds a Bachelor of Business (Accountancy) from QUT, is a CPA Fellow and Australian Institute of Company Directors Fellow.

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 healthcare, aged care, community housing and consumer advocacy.

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

Katherine George

Kat has extensive experience in consumer advocacy and policy, and is currently Associate Director, Research, at Energy Consumers Australia. She has worked across the government, private and not-for-profit sectors, driving significant policy reform projects to promote economic and social inclusion and system reform, especially in relation to delivering equitable, human-focused outcomes in essential services markets.

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Currently, Kat is Co-Chair on the Board of Hope Street Youth and Family Services, a youth homelessness service operating in the northern and western regions of Melbourne. Kat's previous experience includes nearly a decade as a consultant in global media and communications and stakeholder engagement. 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 and Governance, Culture & Ethics 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 since 2009. 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 & Audit Committee and Governance, Culture & Ethics Committee.

Fiona Jolly

Fiona is an experienced senior executive and 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 the Director of the Classification Board, the Australian Government body responsible for classifying films, computer games and some publications for Australia. Her focus is on improving information about content for consumers of media. Fiona is also a director of Goodwin Aged Care, Rural Financial Counselling Service (NSW), the ACT Cemeteries and Crematoria Authority, GNS Wholesale Stationers; Australian Institute of Building Surveyors 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.

Fiona's executive career spans significant work on regulation reform with both the government and private sector. Fiona was elected to the CHOICE Board in November 2020 and is a member of the Governance, Culture & Ethics Committee, Technology Committee and Membership Growth & Engagement Committee.

Alexandra Kelly

Alexandra 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.

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

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Ben Naparstek

Ben has more than a decade's experience leading cross-functional teams across marketing, partnerships, content and technology.

He headed up online at SBS and led the Australian digital and content businesses for global communications marketing firm Edelman. Ben has served as Head of Content for Audible Australia and editor-in-chief of Good Weekend magazine and leading the global marketing and content functions for iFIT company Sweat, a digital gym with a community of more than 50 million women. Ben was formerly a non-executive director of Yourtown, provider of services to disadvantaged young people including Kids Helpline.

Ben was appointed to the CHOICE Board in October 2018 and was a member of the Membership Growth & Engagement Committee and the Impact Committee. He resigned from the Board on 11 January 2023.

Jamie Pride

Jamie is a Partner at Humanly Agile, an organisational design and change management consultancy that helps clients discover better ways of working and harness the power of their people. In addition, Jamie serves as the Chief Entrepreneur in Residence at Western Sydney University.

Jamie has more than 27 years' experience working in senior leadership positions for global consulting, advisory and technology organisations. His corporate history has included being the Australian CEO of realestate.com.au and as a Partner at Deloitte.

Jamie was appointed to the CHOICE Board in November 2021 and is a member of the Finance, Risk and Audit Committee and Technology Committee

Amanda Robbins

Amanda has extensive expertise in economic and social policy, having worked at the most senior levels of the Australian government and across the community and non-profit sectors for over 20 years, domestically and internationally.

Amanda founded Equity Economics in 2013 and has since delivered original economic policy analysis and advice for governments, think tanks, corporates and the community sector. Amanda is committed to supporting and strengthening the role of the non-government sector in Australia. Amanda combines skills in economic analysis with an ability to formulate policy and communicate complex reform.

Amanda's experience internationally includes roles as senior adviser in the Treasury of Papua New Guinea from 2006 to 2008; deputy director of Australia's flagship economic governance program in Indonesia; and most recently working as a consultant for the World Bank in Washington DC. Amanda holds a Global Executive MBA and Bachelor of Economics (Social Sciences) from the University of Sydney, a Diploma of Law from the NSW College of Law, and a Master of Laws (Legal Practice) from the ANU.

Amanda was appointed to the CHOICE Board in November 2022 and is a member of the Impact Committee and Membership Growth & Engagement Committee.

**Australian Consumers' Association (CHOICE)
Directors' report
For the year ended 30 June 2023**

General information

The financial statements cover Australian Consumers' Association (CHOICE) as a consolidated entity. The financial statements are presented in Australian dollars, which is Australian Consumers' Association (CHOICE)'s functional and presentation currency.

Registered office and principal place of business

57 Carrington Road
Marrickville NSW 2204

Principal Activities

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

Purpose

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

Strategy

2022-23 was the second year of a three-year strategy that sets three key goals:

1. We drive big changes and more people know us for it
2. Our membership is larger and more engaged
3. We are an organisation that people want to support and work for

We drive big changes and more people know us for it

CHOICE pursues changes to laws and business practices through research, policy advocacy, investigative journalism and working with consumers to push for change.

Our strategy challenges us to always be looking for new and emerging areas where consumers are being harmed, and in 2022-23 we looked at how regulation is failing to protect consumers from the harmful ways businesses are using their personal data. In June 2022 we published an investigation into how major Australian retailers such as Bunnings and Kmart were using facial recognition technology in their stores and this continued to have an impact through 2022-23. By the end of July 2022, each of the major retailers committed to pause use of this technology while the Privacy Commissioner investigated our complaint about their practices. That investigation remained underway at the end of the year.

In April 2023, we published a report into 'RentTech' - technology that many renters are forced to use when applying for a property or paying rent. We highlighted concerns with the amount of personal information that renters were being forced to provide and the way that data was being used in automated decision making about which applicants were deemed more suitable. This informed debates about law reform, with the NSW government proceeding in July 2023 to consult on reforms to limit use of automated decision making and National Cabinet agreeing in August 2023 to reforms to limit the amount of information that can be gathered from renters.

We also continued our work on long-term priorities to make the financial system fairer for consumers. CHOICE was a prominent voice in debates about reforms to financial advice and worked closely with allies in the consumer movement to advocate for buy now, pay later products to be regulated as credit - a reform on which the government commenced consultation during the year. We also continued our support for the Save Sorry Business Coalition - a group of First Nations advocates fighting for justice for people who lost money to the predatory funeral insurer that marketed itself as the Aboriginal Community Benefit Fund or Youpla. This consumer coalition secured a government-funded interim scheme for people needing to pay for funerals, as well as a government commitment to a longer-term solution.

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In June 2023, parliament passed legislation to introduce a compensation scheme of last resort in the financial system. This represented the culmination of several years of advocacy by CHOICE, and will ensure that people who have been ordered compensation by the Australian Financial Complaints Authority can still receive it even if the firm required to pay has gone out of business.

Our membership is larger and more engaged

Our strategy recognises that a large and active membership is fundamental to CHOICE's impact and sustainability.

Our membership levels reached a high peak in June 2022, helped by the economic conditions generated by COVID-19 restrictions, which saw many people increase expenditure on household appliances in lieu of expenditure on travel and leisure. As COVID restrictions eased, the economy entered a period of high inflation. While new members continued to join CHOICE, this was at a lower rate than seen over the previous two years, leading total membership to decline to 200,446 by 30 June 2023. This remained significantly higher than our membership levels before the onset of COVID-19.

Knowing that many consumers were struggling with cost-of-living pressures, we made it a priority to produce more information to assist them. The Board endorsed this as one of our major organisational priorities and we published information on a broad range of topics including energy efficiency, health insurance, energy prices, solar rebates, government concessions and lower-priced appliances that performed well in our testing.

We also produced more information and tools to help people make more environmentally sustainable choices, which often have the additional benefit of helping people to save money over time. These included a range of content and tools on electric vehicles, a new tool to help people make energy saving choices around the home and information on the benefits of switching from gas to electric appliances. We also partnered with the ACT Government on a new tool to help people switch appliances as part of the Territory's commitment to electrification of all homes.

This focus on producing information relevant to people's needs in the current environment helped us to grow traffic to choice.com.au by 4.5% compared to 2021-22.

We are an organisation that people want to support and work for

Our strategy recognises that given our role as a consumer advocate, it is important that we set high standards for the way that our organisation operates.

Our most important initiative in this area of the strategy this year was the implementation of our Reconciliation Action Plan (RAP). As this was our first RAP, it had a strong focus on developing relationships with First Nations organisations, both within our local community and at a local level. The Board and Choice employees attended cultural awareness training, with staff supported to understand and participate in Acknowledgement of Country protocols. Our work on issues affecting First Nations consumers also expanded. Besides our support for the Save Sorry Business Coalition, we published investigations on sales of poor-quality used cars to people living in remote communities and the ongoing effects of the education loans scandal. We also endorsed the idea of a Voice to Parliament for First Nations peoples, based on our existing support for the Uluru Statement from the Heart and our assessment of how a Voice would support our purpose of ensuring that all people in Australia enjoy fair, just and safe markets.

We continued to implement changes to ensure that CHOICE provides a diverse and inclusive workplace, through launching a new framework to support staff experiencing domestic violence, overhauling our parental leave policy to expand access to paid leave and improving support for people experiencing mental health issues.

We also continued our commitment to reducing our carbon emissions by installing an expanded array of solar panels on the roof of the CHOICE building, replacing our vehicle with an electric vehicle, installing a solar-powered EV charging point for staff and visitors, and shifting to green power for our electricity needs that cannot be served by our solar panels.

**Australian Consumers' Association (CHOICE)
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For the year ended 30 June 2023**

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 visitors to choice.com.au
- the number of paid memberships
- total revenue
- the number of people who take action as part of CHOICE campaigns
- the percentage of paid members who visit choice.com.au
- staff engagement
- maintaining carbon net zero status

The Board sets annual targets for each area and monitors performance through the year. In 2022-23, CHOICE delivered a number of significant wins for consumers and comfortably exceeded our targets for the number of visitors to choice.com.au. We did fall short of our goals in relation to membership, revenue and paying members visiting choice.com.au and this was largely due to the economic environment during the year. The lower number of people taking action on CHOICE campaigns was due to a shift in strategy. Staff engagement remained relatively strong but dropped slightly below target around the end of the financial year. While we are confident that we remained carbon neutral, we lost our formal status under the Climate Active scheme due to a delay in reporting. We expect this to be corrected early in 2023-24.

Review of financial operations and results

This was a challenging year for CHOICE financially, given that consumers were facing extraordinary cost-of-living pressures. When the Board approved the budget for 2022-23 in early 2022, inflation was expected to peak earlier and at a lower rate than what eventuated. The financial result was also impacted by the Board decision to recognise all of the costs of the content management system (CMS) to date.

As inflation grew and remained high through the year, this had an impact on two key sources of revenue - membership and the CHOICE Recommended licensing scheme. As consumers were buying fewer major household appliances, this meant that fewer new members joined CHOICE and that demand for CHOICE's recommendations was constrained. Understanding the cost-of-living pressures facing members we did not increase membership fees, despite increases in our costs.

Total revenue increased by 2.2% to \$24.5m in 2022-23 as against \$24m in FY22. The increase is predominantly attributed to non-operating sources - interest income rose by \$0.2m, and there was a \$0.5m increase in Super Consumers Australia revenue. Total operating revenue was \$22.5m, down by \$0.25m (\$22.8m in FY22) or 1.5% year on year. Membership revenue experienced a slight decrease at \$19.08m compared to \$19.11m the previous year. CHOICE Recommended licensing revenue of \$2.32m was down by 9.3% (\$2.56m in FY22). Operating revenue declined as a result of extraordinary economic circumstances that worsened during the year.

As the revenue picture became clear during the year, we sought to offset this with savings in discretionary expenditure. We did however provide a 3.6% increase in salaries - our major area of expenditure. We were also undertaking our largest technology project in recent years, a replacement of the content management system (CMS) that supports our website. After delays and challenges delivering the project, we commissioned an independent review and paused the project in May 2023. The review made a number of recommendations about how to improve our management of the project. While the review indicated that some of the work that had been completed could be re-used, we decided to recognise all of the costs of the project to date as expenses.

Total operating expense increased by \$1m to \$22.4m or 5% year on year (this includes the recognised CMS expense of \$1.4m). The decision not to capitalize any CMS costs transforms what would have otherwise been a surplus into a deficit.

This combination of factors resulted in a deficit of \$0.56m for the year. Our cash and investments balance at 30 June 2023 was \$11.8m, which provides a significant margin over the cash reserves floor set by the Board. This allows us to support further planned deficits if required while we continue to invest in a technology strategy that supports our operations.

**Australian Consumers' Association (CHOICE)
Directors' report
For the year ended 30 June 2023**

Events subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely development and expected results of operations

The consolidated entity 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 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 2023 the number of voting members was 7,217 (2022: 7,033).

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: Nic Cola (Sep 22, 2023 15:26 GMT+10)
Nic Cola


Director: S. Challinor
Samantha Challinor

Dated this 21st day of September 2023

Auditor's Independence Declaration

To the directors of Australian Consumers' Association:

As lead auditor for the audit of the consolidated financial report of Australian Consumers' Association for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Australian Consumers' Association and the entities it controlled during the period.



Sydney, NSW
21 September 2023

N J Guest
Director

Australian Consumers' Association (CHOICE)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
Revenue		22,534,566	22,784,614
Super Consumers Australia revenue		1,241,531	769,151
	3	<u>23,776,097</u>	<u>23,553,765</u>
Other income		760,406	451,276
Total revenue	4	<u>24,536,503</u>	<u>24,005,041</u>
Expenses			
Cost of sales		(1,448,299)	(1,593,261)
Technical and consumer research		(4,879,332)	(4,785,198)
Editorial content		(1,900,212)	(2,056,439)
Digital product development		(4,376,296)	(3,510,729)
Data & technology		(2,537,268)	(2,230,326)
Marketing		(2,437,577)	(2,337,850)
Subscriptions and customer services		(577,146)	(536,419)
General and administrative		(3,139,086)	(3,158,621)
Campaigns and communications		(1,417,096)	(1,452,795)
Innovation		(242,822)	(259,603)
Depreciation and amortisation expense	5	(541,417)	(765,951)
Facility and other operating		(371,021)	(267,591)
Super Consumers Australia expense		(1,133,708)	(660,724)
Other expenses		(96,695)	-
Total expenses		<u>(25,097,975)</u>	<u>(23,615,507)</u>
(Deficit)/Surplus for the year attributable to the members of Australian Consumers' Association (CHOICE)		(561,472)	389,534
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year attributable to the members of Australian Consumers' Association (CHOICE)		<u>(561,472)</u>	<u>389,534</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Australian Consumers' Association (CHOICE)
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	424,076	1,067,718
Other financial assets	7	11,431,656	12,008,898
Trade and other receivables	8	1,007,727	858,549
Other assets	9	1,004,416	840,326
Total current assets		<u>13,867,875</u>	<u>14,775,491</u>
Non-current assets			
Intangibles	10	-	-
Property, plant and equipment	11	7,798,027	7,829,920
Total non-current assets		<u>7,798,027</u>	<u>7,829,920</u>
Total assets		<u>21,665,902</u>	<u>22,605,411</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,336,574	1,275,091
Contract liabilities	13	5,156,779	6,249,166
Provisions	14	2,387,774	2,223,963
Total current liabilities		<u>8,881,127</u>	<u>9,748,220</u>
Non-current liabilities			
Contract liabilities	13	750,448	248,486
Provisions	14	245,342	258,248
Total non-current liabilities		<u>995,790</u>	<u>506,734</u>
Total liabilities		<u>9,876,917</u>	<u>10,254,954</u>
Net assets		<u>11,788,985</u>	<u>12,350,457</u>
Equity			
Accumulated surplus		<u>11,788,985</u>	<u>12,350,457</u>
Total equity		<u>11,788,985</u>	<u>12,350,457</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**Australian Consumers' Association (CHOICE)
Statement of changes in equity
For the year ended 30 June 2023**

Consolidated	Accumulated surplus \$	Total equity \$
Balance at 1 July 2021	11,960,923	11,960,923
Surplus for the year	389,534	389,534
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>389,534</u>	<u>389,534</u>
Balance at 30 June 2022	<u><u>12,350,457</u></u>	<u><u>12,350,457</u></u>
	Accumulated surplus \$	Total equity \$
Consolidated		
Balance at 1 July 2022	12,350,457	12,350,457
Deficit for the year	(561,472)	(561,472)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(561,472)</u>	<u>(561,472)</u>
Balance at 30 June 2023	<u><u>11,788,985</u></u>	<u><u>11,788,985</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Australian Consumers' Association (CHOICE)
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated	2022
		2023	2022
		\$	\$
Cash flows from operating activities			
Cash receipts from customers		26,196,769	26,617,456
Payments to suppliers and employees		<u>(27,106,501)</u>	<u>(25,079,503)</u>
Net cash (used in) /from operating activities		<u>(909,732)</u>	<u>1,537,953</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		8,013	-
Payments for property, plant and equipment	11	(509,524)	(128,067)
Interest received		190,386	45,766
Net payments for term deposits		<u>577,215</u>	<u>(2,266,132)</u>
Net cash from/(used in) investing activities		<u>266,090</u>	<u>(2,348,433)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(643,642)	(810,480)
Cash and cash equivalents at the beginning of the financial year		<u>1,067,718</u>	<u>1,878,198</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>424,076</u></u>	<u><u>1,067,718</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are for the consolidated entity consisting of Australian Consumers' Association and its subsidiary.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

Comparative information is reclassified where appropriate to enhance comparability.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Consumers' Association (CHOICE) ('company' or 'parent entity') as at 30 June 2023 and the results of the subsidiary for the year then ended. Australian Consumers' Association (CHOICE) and the subsidiary together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The Company established a subsidiary in June 2022 to support some future operations. The subsidiary was dormant for the remainder of the year and the current year. Investment in the subsidiary is accounted for at cost less any impairment in the financial statements of Australian Consumers' Association.

Current and non-current classification

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

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 1. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity'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.

A liability is classified as current when: it is either expected to be settled in the consolidated entity'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.

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.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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*.

Note 2. Critical accounting judgements, estimates and assumptions

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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of useful lives of assets

The consolidated entity 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.

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 2. Critical accounting judgements, estimates and assumptions (continued)

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.

Note 3. Revenue

	Consolidated	
	2023	2022
	\$	\$
Revenue from sale of goods	4,585,860	4,948,917
Revenue from provision of services	19,190,237	18,604,848
Revenue	<u>23,776,097</u>	<u>23,553,765</u>

Disaggregation of revenue

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

	Consolidated	
	2023	2022
	\$	\$
<i>Geographical regions</i>		
Australia	<u>23,776,097</u>	<u>23,553,765</u>
<i>Timing of revenue recognition</i>		
Point in time	4,730,445	5,153,299
Over time	19,045,652	18,400,466
	<u>23,776,097</u>	<u>23,553,765</u>

	Consolidated	
	2023	2022
	\$	\$
<i>Revenue Stream</i>		
Choice Membership	19,079,018	19,108,543
External Testing Revenue	657,349	629,890
Affiliate Revenue	110,210	138,713
Sundry Income	-	2,755
Prototyping Revenue	150,100	119,577
Fundraising	34,375	62,914
Choice Recommended Revenue	2,315,812	2,559,346
Royalties & Content Related Sales	187,702	162,876
Super Consumers Australia Revenue	1,241,531	769,151
	<u>23,776,097</u>	<u>23,553,765</u>

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 3. Revenue (continued)

Accounting policy for revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

The consolidated entity primarily derives revenue from the sale of goods, rendering of services, 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).

Note 4. Other income

	Consolidated	
	2023	2022
	\$	\$
Rental income	429,581	407,269
Interest	241,178	44,007
Profit on sales of fixed assets	8,013	-
Other income	81,634	-
	<u>760,406</u>	<u>451,276</u>

Accounting policy for 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

	Consolidated	
	2023	2022
	\$	\$
Surplus/(deficit) includes the following specific expenses:		
Expected credit losses		
- Trade debtors	<u>18,521</u>	<u>9,739</u>

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 5. Surplus/(Deficit) for the year (continued)

	Consolidated	
	2023	2022
	\$	\$
Employee benefits expense		
- Salaries excluding contributions to defined contribution superannuation funds	14,534,495	13,311,633
- Contributions to defined contribution superannuation funds	<u>1,495,995</u>	<u>1,307,025</u>
Total employee benefits	<u>16,030,490</u>	<u>14,618,658</u>
Depreciation and amortisation		
- Land and buildings	290,272	280,395
- Plant and equipment	251,145	334,364
- Intangible assets	<u>-</u>	<u>151,192</u>
Total depreciation and amortisation	<u>541,417</u>	<u>765,951</u>
Impairment		
- Intangible assets	<u>-</u>	<u>147,749</u>

Note 6. Cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>424,076</u>	<u>1,067,718</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Other financial assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Other financial assets	<u>11,431,656</u>	<u>12,008,898</u>

Short term deposits with maturity dates of 3 -12 months.

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 8. Trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	935,381	855,516
Less: Allowance for expected credit losses	<u>(1,980)</u>	<u>(20,501)</u>
	933,401	835,015
Other receivables	<u>74,326</u>	<u>23,534</u>
	<u><u>1,007,727</u></u>	<u><u>858,549</u></u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses an expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Other assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Accrued revenue	57,267	82,545
Prepayments	<u>947,149</u>	<u>757,781</u>
	<u><u>1,004,416</u></u>	<u><u>840,326</u></u>

Note 10. Intangibles

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Website development and database management - at cost	1,364,439	1,364,439
Less: Accumulated amortisation	<u>(1,364,439)</u>	<u>(1,364,439)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Accounting policy for intangible assets

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 10. Intangibles (continued)

Website development and database management

Significant costs associated with the development of the revenue generating aspects of the website development and database management are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Computer software

Significant costs associated with computer software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 11. Property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Freehold land - at deemed cost	1,400,000	1,400,000
Land and buildings - at cost	9,518,967	9,286,106
Less: Accumulated depreciation	<u>(3,662,147)</u>	<u>(3,371,875)</u>
	<u>7,256,820</u>	<u>7,314,231</u>
Plant and equipment - at cost	5,346,455	5,128,921
Less: Accumulated depreciation	<u>(4,805,248)</u>	<u>(4,613,232)</u>
	<u>541,207</u>	<u>515,689</u>
	<u><u>7,798,027</u></u>	<u><u>7,829,920</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Land and buildings	Plant and equipment	Total
	\$	\$	\$
Balance at 1 July 2022	7,314,231	515,689	7,829,920
Additions	232,861	335,792	568,653
Disposals	-	(59,129)	(59,129)
Depreciation expense	<u>(290,272)</u>	<u>(251,145)</u>	<u>(541,417)</u>
Balance at 30 June 2023	<u><u>7,256,820</u></u>	<u><u>541,207</u></u>	<u><u>7,798,027</u></u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land which is not depreciated) over their expected useful lives as follows:

Buildings	2-20%
Plant and equipment	5-33.3%
Motor vehicles	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	470,389	129,223
Other payables	866,185	1,145,868
	<u>1,336,574</u>	<u>1,275,091</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Contract liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>5,156,779</u>	<u>6,249,166</u>
<i>Non-current liabilities</i>		
Contract liabilities	<u>750,448</u>	<u>248,486</u>

Accounting policy for contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 14. Provisions

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,439,159	1,428,422
Long service leave	948,615	795,541
	<u>2,387,774</u>	<u>2,223,963</u>
<i>Non-current liabilities</i>		
Long service leave	<u>245,342</u>	<u>258,248</u>

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 14. Provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year are set out below:

Consolidated - 2023	Annual leave \$	Long service leave \$
Carrying amount at 1 July 2022	1,428,422	1,053,789
Additional provisions raised during the year	1,266,145	172,078
Amounts used	<u>(1,255,408)</u>	<u>(31,910)</u>
Carrying amount at 30 June 2023	<u><u>1,439,159</u></u>	<u><u>1,193,957</u></u>

Accounting policy for employee benefits

Short-term employee benefits

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.

Long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 15. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities at 30 June 2023.

There have been no further developments in relation to the separate legal proceedings disclosed in the notes to the 30 June 2022 financial report.

Note 16. Key management personnel disclosures

Compensation

The aggregate compensation made to members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023	2022
	\$	\$
Aggregate compensation	<u><u>1,747,440</u></u>	<u><u>1,856,109</u></u>

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit services - HLB Mann Judd Assurance (NSW) Pty Ltd</i>		
Audit of the financial statements	33,500	32,500
<i>Other services - HLB Mann Judd (NSW) Pty Ltd</i>		
Assistance with the preparation of the financial statements	5,500	5,500
	<u>39,000</u>	<u>38,000</u>

Note 18. Commitments

	Consolidated	
	2023	2022
	\$	\$
Lessor commitments		
Minimum lease commitments receivable but not recognised in the financial statements:		
Not later than one year	425,519	413,405
Later than one year and not later than five years	1,824,887	1,778,451
Later than five years	707,357	1,179,313
	<u>2,957,763</u>	<u>3,371,169</u>

Note 19. Related party transactions

Australian Consumers' Association is the parent entity. Interests in subsidiaries are set out in note 20.

Disclosures relating to key management personnel are set out in note 16.

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 other related party transactions during the year.

Note 20. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023	2022
		%	%
ACA Insight Pty Ltd	Australia	100.00%	100.00%

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Australian Consumers' Association (CHOICE)
Notes to the financial statements
For the year ended 30 June 2023

Note 22. 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 outstanding and obligations of the Company. At 30 June 2023 the number of voting members was 7,217 (2022: 7,033). The combined total amount that members of the Company are liable to contribute if the Company is wound up is \$7,217.

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
(Deficit)/Surplus	(561,472)	389,534
Total comprehensive (loss)/income	(561,472)	389,534

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	13,867,875	14,775,491
Total assets	21,666,002	22,605,511
Total current liabilities	8,881,227	9,748,320
Total liabilities	9,877,017	10,255,054
Equity		
Accumulated surplus	11,788,985	12,350,457
Total equity	<u>11,788,985</u>	<u>12,350,457</u>

Contingent liabilities

Refer to note 15 for contingent liabilities concerning the parent entity.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in notes, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

**Australian Consumers' Association (CHOICE)
Directors' declaration
For the year ended 30 June 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Nic Cola (Sep 22, 2023 15:26 GMT+10)

Nic Cola
Director



Samantha Challinor
Director

21 September 2023

Independent Auditor's Report to the Members of Australian Consumers' Association

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Australian Consumers' Association ("the Company") and its controlled entity ("the consolidated entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 consolidated entity is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures 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 consolidated entity 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* ("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 in 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the consolidated entity's directors' report for the year ended 30 June 2023, 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 – Simplified Disclosures 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 consolidated entity 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 consolidated entity 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 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 consolidated entity'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 consolidated entity'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 consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the consolidated entity's audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

**HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants**

**Sydney, NSW
25 September 2023**



**N J Guest
Director**