



Family Business
Australia



Family Business
New Zealand



2022

ANNUAL REPORT

FAMILY BUSINESS AUSTRALIA AND NEW ZEALAND

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FBA Chairman's Report



Mark Kagan
National Chairman
Family Business Australia

Today I write to you to inform you about the disappointing financial outcome from the FY2022 year. The Board and I do not take this lightly and we are working very closely with management to ensure we are doing everything possible to reverse our financial position for FY2023. We are not out of the woods yet.

Members are telling us that they truly value our organisation, and we see this via our amazing retention rates for Membership and Forum Groups. However, what we are not seeing is the traditional member engagement and spend per person in our other key value add offerings, and this is where we have been financially impacted.

Numbers are down at every event. Despite all this, our incredible team arranged another wonderful National Conference in Queensland in March. They coordinated State Insights and Webinars, Meet Family Businesses, Educational Events, Advisor Meets, Sponsorship Events, National Family Business Day, Elevate Conference and the list continues....

You have all read Ken Matthew's report as Chair of the Finance, Audit, and Risk Committee. The result was not unexpected as the year progressed. For Financial Year ending 2023, we have budgeted for a small consolidated profit. We are anticipating a turnaround. We are still in a strong financial position. Led by our CEO, Greg Griffith together with our CFO Andrea Moody and a wonderful hardworking team we will again make this year a year to remember.

The drawing board possibly includes a new NxG/mentoring program, the expansion of the new Family Business Excellence Awards, the National Conference in May, Advisor workshops, a new CRM and website allowing our members to trade with members seamlessly, (among other benefits it will provide), State Insights, Education, Forums and Networking Events to name a few. We are tinkering with the Emblem, taking a stronger stand with our Advocacy and Publicity Committee, and aligning ourselves closer to Politicians, the Ombudsman, COSBOA and our Patron Kate Carnell. Ensuring sustainability, next generation, education and women in family business remain as key themes throughout the year. And of course, networking via our member engagement team.

Most recently we have established a mechanism via our monthly newsletter for members to let us know what issues are concerning them, what areas we need to focus on so we can better service your family business needs. I would also highly recommend that you discuss your problems at one of our Forum Groups where confidentiality is guaranteed. I know how valuable this is as I have personally been in a group for over 15 years.

The more you put in, the more you get out of FBA, so become more involved and reap the rewards.

I would like to thank our dedicated and hardworking team. It's been an extraordinary few years and I know they put your best interests first in all decisions made.

Thank you to the National Board Members who make my job easier. Mention goes to Jeff Ash (Regional Director from WA and Jill Thomas (Independent Director) who have retired this year after serving and contributing so much during their tenure. Thank you to our State Ambassadors who give up their time for us and our sponsors for their support. And you, our members for growing with us.

Stay safe and we will catch up soon.



Mark Kagan
National Chairman
Family Business Australia



FBNZ Chairman's Report



Iain Blakeley
Chairman
Family Business New Zealand

It is my pleasure to introduce the 2022 Annual Report for Family Business New Zealand. The year started off fantastically with a meet the owner's event at the lovely Swiss Belhotel International's new hotel in downtown Auckland. Hearing the back story of a family business growth is always inspirational and for those who attended the Faull family's story was no exception.

Sadly, however, once again, we found ourselves hampered by the impact of COVID 19 and government-imposed restrictions. In August 2021 Auckland went into lockdown and restrictions continued until December. This meant we had to cancel or postpone several face-to-face events, which typically are the key drivers of new membership.

While we weren't as free to get together in person the FBANZ team was able to put together some very good online content for our members to ensure we continued to deliver value and keep them engaged. During the latter part of 2021, our members were able to participate in a wide range of courses on finance, governance and succession amongst other online opportunities.

Being forced to think differently is one of the positives to take out of the COVID experience, and this the team did when we were faced with having to postpone another event hosted by The Jones Family Business. What was to be a single in-person event turned into a two part experience. Part one was an online introduction to the Jones Family history, and part two took place a few months later in person in the Jones Family's Kitchen Things brand new showroom in Newmarket Auckland.

For the second part of the year, we were pretty much back to normal and able to host in-person educational and networking events. This culminated with our Insights Conference in June 2022 at the Hilton Auckland. The programme put together by our Country Manager, Nicole Pluck and the rest of the FBANZ team were sensational and ensured attendance was up on the previous year. This helped on our reputation as a leading provider of insights and opportunities for family businesses in New Zealand. I had a lot of very positive feedback from attendees and sponsors.

Our Forum Group continued during the year with some membership growth. We are continuously building our pipeline to get another one or two more forum groups up and running.

Membership continues to build, finishing the year with 120 Members. This is very pleasing and we think we now have some critical mass. We are particularly pleased with our retention rate of 90+ % which speaks to the value we are providing the family business and advisor community.

Our Country Manager, Nicole Pluck, has continued to drive the organisation in New Zealand. Our family business and advisor community is growing in quality and number and in the coming months, we plan to hold more events around the country with the Canterbury region strong in our foresight.

I would like to acknowledge the fantastic support of our sponsors, Grant Thornton, EWM Group, Crombie Lockwood and Jackson Russell Lawyers. They have all committed to our organisation and are key to our membership growth. Our Foundation Members, Thermosash Group, Russell Group, Hynds Group, Turley Farms, Kennards and AH Beard have also continued to be a huge support, for which we are very grateful.

Thank you to all the members and staff of FBANZ for your ongoing support and commitment.



Kind regards

Iain Blakeley
Chairman
Family Business New Zealand



Chair of Finance, Audit and Risk Committee



Ken Matthews

Chair – Finance, Audit, and Risk Committee

I'm pleased to present the Finance, Audit and Risk Committee's report into the key activities undertaken by Family Business Australia (FBA), and Family Business New Zealand (FBNZ) during the 2021-22 financial year (FY22), alongside the organisation's anticipated activities for 2022-23.

FBA experienced an extremely tough Financial Year 2022 (FY22), with the repercussions of the pandemic exacting a significant impact on our business operationally.

Having cancelled the FBA National Conference in 2020 and 2021 due to COVID 19, we had no option but to reschedule our major annual event to March 2022 in order to honour our member and sponsor commitments.

A 'perfect storm' of Queensland floods, closed Western Australian and New Zealand borders, flight restrictions, 11th-hour cancellations due to members catching COVID and general COVID uncertainty conspired to significantly impact attendance at the conference which further served to highlight the critical nature of this event to our organisation's financial success annually. Next to our Forums, the conference is currently our most highly-valued and attractive benefit to members and the disruption over the past three years has clearly highlighted a need for us to diversify and identify additional revenue streams; set to be a major focal point for our management team during FY23.

Our business faced unprecedented challenges in FY22 but that did not prevent us from continuing to make inroads on our Strategic Outlook 2020-2030.

As a business, we restructured our Accredited Advisor Program, we launched our new Family Business Excellence Awards and we have made a significant investment into a new CRM system (to be launched in December 2022) to dramatically improve the way we can engage with our members.

We also took the difficult decision to discontinue our previously event-centric marketing strategy. This exemplifies the judicious cost control and prudent expense management that has enabled us to weather the current testing trading conditions, retain a healthy bank balance, and achieve a consolidated deficit of AU\$303,732. This year-end result comprises a deficit in Australia of AU\$308,726 and a Family Business New Zealand profit of NZ\$7,025; a pleasing result in its own right in light of New Zealand's FY20 loss of NZ\$77,455 and FY21 loss of NZ\$26,676.

I'm also proud that despite the effects of the pandemic, we managed to achieve a membership retention rate of 85.76%.

At a corporate level, we relocated to new office premises in Albert Road, South Melbourne, and placed a heavy focus on the engagement, well-being, and productivity of our staff over the course of the year.

This is my third report as chair of the committee and I would like to thank FBA CEO Greg Griffith, CFO Andrea Moody, our executive team, and my fellow Board members for their steadfast determination, insight, and support during possibly the most challenging period in our organisation's history.

I am confident that under our current leadership Family Business Australia has the financial resources, resolve, dexterity, and resilience to evolve and emerge from the post-pandemic malaise even better equipped to help Australian Family Businesses to succeed.



Ken Matthews
Chair – Finance, Audit, and Risk Committee
July 2022.



CEO Report



Greg Griffith
Chief Executive Officer
Family Business Australia and New Zealand

Well, we might be done with COVID, but COVID is not done with us. Unfortunately, the effect of 'Long Business COVID' impacted the financial performance of Family Business Australia despite our best efforts to skinny the business operations to meet the pending challenges that we knew were in front of us.

In better news and only in our 3rd year of operations, Family Business New Zealand achieved its first profit. This was on the back of continued membership growth and strong attendance at key events including the 2nd running of the Insights Conference that had over 70 people in attendance. Membership in New Zealand is now over 135 Family Businesses with growth expected to go close to 160 by year's end.

FINANCIAL MANAGEMENT

FBA Management put forward an aggressive budget to the Board in May 2021. The budget included a significant investment in marketing FBA to the family business sector, thus doubling normal new membership targets. The rest of the budget was then based on a trickledown effect i.e., more new members meant more new Forum Group participants, more members taking up our education offerings, attending local and major events and more Advisors wanting to become Accredited.

In presenting this budget to the Board, Management also presented scenarios to 'pull back' on expenditure in case our plans for growth didn't translate to membership growth. The Board then endorsed the budget.

FBA engaged a Marketing/Advertising specialist to design and roll out our marketing campaign. It was launched with much fanfare; however, the campaign didn't translate into an increase in new members.

FBA persisted with the marketing until September at which time it was decided to invoke our pre-planned fallback positions.

The marketing campaign was stopped, the recruitment freeze was maintained, travel and accommodation costs were kept to a minimum and general office expenditure was curtailed. FBA was on track to reach a balanced budget, however, this hinged on our major and state Insights Conferences achieving normal attendance numbers – this did not occur.

For the full year, FBA gross revenue was down 28% from the year prior (\$1.1m unfavourable to budget). We were able to reduce our direct costs by 29% (\$486k favourable to budget), however, we were only able to reduce our expenses by 11.5% (\$256k favourable to budget) and this was ultimately the difference in our ability to achieve a balanced financial outcome. FBA cut as deep as it could without sacrificing key resources or devaluing our membership proposition.

THE YEAR THAT WAS

The start of the financial year saw the majority of the country still ravished by COVID, border restrictions and lockdowns. For the 4th time in a row, we were required to push our major conference back until November and subsequently again until March 2022 once the borders re-opened. FBA's conference was one of the first face-to-face events to be staged in Australia, not ideal considering the uncertainty of travel and with borders still closed in WA and NZ, however, we pushed ahead and delivered a great experience for those that attended.

The FBA Board endorsed an investment into our future, with approval given to implement a new CRM/Website to dramatically improve the way we engage with our members and to create a true membership community where members can engage with one another. The system is called BOND, it is an Australian-owned and operated software system tailored to our member's needs and will be coming online by January 2023 – watch this space.

In May/June of this year, FBA successfully rolled out our Insights Conferences. With the support of the national committees and brand ambassadors, FBA and FBNZ put together and rolled out six very strong programs, whilst attendance numbers were down based on the year prior, we still had over 500 members attend these conferences.

In another forward-looking move by the Board, a decision was made to review our name and our brand, a brand that has been in place for over 23 years. New members Hulsbosch (NSW) were engaged to do a full audit and make recommendations for change. As a way of background, Hulsbosch has been responsible for the development of key brands including Qantas and Woolworths just to name a couple. The Board has now approved a name change and we will move away from Family Business Australia and Family Business New Zealand to that of Family Business Association. With this shift, we have a great opportunity to unify the brand and better reflect the values and personality of the brand through a new visual identity.

The Board recently signed off on the new branding, however, it has been decided to wait until the new CRM/Website is ready and a full announcement will be made at that time.

As the peak body for the family business sector, a sector that represents over 70% of all businesses, FBA aims to build a recognition program that aims to be the premier awards program across Australia and New Zealand. To do this, the creation of a new awards program was introduced called the Family Business Excellence Awards (replacing our Hall of Fame Awards) which are open to all family businesses across Australia and New Zealand in three categories – small, medium and large family business enterprises. As part of our mantra of thinking nationally, but acting locally, FBNZ called for local nominations representing our six regions and received 70 applications. The judging panel had the unenviable task of selecting one winner in each category for each region and those were announced at the Insights Conferences. We now have six winners in each category i.e., small, medium and large awards category and they now compete to become the overall international winner at our upcoming Family Business Excellence Awards dinner scheduled for March 2023.

OPERATIONS

Membership renewal started in earnest in May 2021 and by the end of September, over 85.76% of members renewed their membership (up from 83.28% from the year prior). The retention percentage could have been higher, however with the restructure of our Advisor membership model, meant a lower retention rate was anticipated.

FBA had an audacious plan to invest heavily to grow membership on the back of a heavy marketing campaign. And whilst the heady heights of obtaining over 900 new members did not occur, FBNZ did secure 365 new members for the financial year, which was an increase from 341 from the year prior.

Overall, between Australia and New Zealand, we had 2,310 members by the 30th of June 2022, an increase from 2,268 or 1.81% growth.

Our Forum program continues to add value with 299 members (up from 281 from FY21) participating in groups across Australia and New Zealand. Again, retention in our forum program was very strong with 91.81% of participants renewing their commitment for the FY23 year. I would like to acknowledge all our Forum Facilitators for the tremendous work they do supporting our members and providing guidance. They play such an important role in our business, and this doesn't go unnoticed.

FBA also took the opportunity to review and then change our Advisor Connect Program, with key Advisors engaged to chair the Connect Meetings and be the face of the organisation for existing advisor members along with welcoming new advisors into the fold. A special thanks to John Broons (WA) Bevan Roberts (SA), Chris Alp (Vic), Peter Ivett & Anesan Naidoo (NSW) & Marina Skinner (QLD) for all they have done and contributed to our advisor community.

FBA continues to represent the family business sector with representation on the ASIC Business Advisory Committee and the ATO Private Stewardship Group Secretariat. FBA's Advocacy Committee has been working closely with COSBOA to establish government relationships and enter discussions to support the family business sector.

ACKNOWLEDGEMENT

FBA works with a large number of stakeholders to whom we are indebted for their contribution and support.

I wish to acknowledge the Australia Board led by FBA Chairman Mark Kagan for their dedication and willingness to provide clear advice and direction to management and staff. It is valued and appreciated.

To Iain Blakeley the Chair of Family Business New Zealand, who has single handily been supporting and guiding our New Zealand operations, we very much appreciate all you have been doing.

To the Council of Wisdom, which is now chaired by Quin Scalzo AM, I thank you for the time and commitment you have given to FBA. Your guidance, views and recommendations are welcomed and very much appreciated.

To EWM Group led by Brad Scott, thank you for the value you are bringing to so many of our members. It was also wonderful that Brad has extended with partnership into New Zealand, and I look forward to driving value with Brad to many of our members.

To Grant Thornton (both in Australia and New Zealand), now led by Kirsten Taylor-Martin (and previously by Robert Powel), the partnership has been a wonderful synergy of two alike organisations with similar values and expectations.

Thank you also to ANZ Private, Pronto Software and Gallagher Insurance for their continued partnership with FBA, your contribution financially and your offerings to our members are very much appreciated.

Like all members, FY22 was a very difficult year to navigate and without my dedicated and passionate team, our ability to deliver on our objectives and dealing with the many challenges placed before us would not have been achievable.

And of course, to you, our members, who are the backbone of FBA and FBNZ. What an amazing group of people you are. Your commitment to your family, your business and to FBA/FBNZ has been truly wonderful to see. You are the sole reason why we exist. I wish you every success in the year ahead.



Greg Griffith
Chief Executive Officer
Family Business Australia and New Zealand



Family Business
Australia



Family Business
New Zealand

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2022

ANNUAL REPORT

FAMILY BUSINESS AUSTRALIA AND NEW ZEALAND

Family Business Australia Limited

ABN 61 083 076 000

Financial Statements

For the Year Ended 30 June 2022

Family Business Australia Limited

ABN 61 083 076 000

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For the Year Ended 30 June 2022

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Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2022

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2022.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

M Kagan

Experience
Responsibilities

Director of Scarpa Imports Pty Ltd
Non-Executive Director

J Thomas

Experience
Responsibilities

Visiting Research Fellow University of Adelaide Business School
Non-Executive Director

R Pantaleo

Experience
Responsibilities

Director Moria Kelly Creating Hope Foundation, Director Link
Community and Transport.
Non-Executive Director

L Boyce

Experience
Responsibilities

Boyce Family Office Pty Ltd, Boyce & Boyce Chartered Accountants
Pty Ltd, Digital Lynchpin Pty Ltd
Alternate Non-Executive Director to Sara Pantaleo

Z Detmold

Experience
Responsibilities

Director of Detmold Group
Alternate Non-Executive Director to B Miller

J Ash

Experience
Responsibilities

Director Filter Supplies (W.A) Pty Ltd
Non-Executive Director

K Matthews

Experience
Responsibilities

Matthews Steer Pty Ltd
Non-Executive Director

A Colless

Experience
Responsibilities

Director Colless Young Pty Ltd
Non-Executive Director

B Miller

Experience
Responsibilities

Director of Miller Dental Group
Non-Executive Director

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2022

1. General information

Information on directors

K Huynh

Experience

Founder of We Teach Me

Responsibilities

Non-Executive Director

A Kennard

Experience

Director of Kennards Hire Pty Ltd

Responsibilities

Non-Executive Director

During the financial year, 4 meetings of directors (plus committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Education Committee		Advocacy Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
M Kagan	4	4	4	4	-	-	-	-
J Thomas	4	4	-	-	4	4	-	-
R Pantaleo	4	4	-	-	-	-	-	-
L Boyce	-	-	-	-	-	-	-	-
Z Detmold	-	-	-	-	-	-	-	-
J Ash	4	3	-	-	-	-	3	3
K Matthews	4	4	4	4	-	-	-	-
A Colless	4	4	-	-	-	-	-	-
B Miller	4	4	-	-	-	-	-	-
K Huynh	4	4	-	-	-	-	-	-
A Kennard	4	4	-	-	-	-	-	-

Principal activities

The principal activities of the Group during the financial year were to provide business services to family owned business members and our FBA professional advisors through education, networking events, advocacy, forums and conferences.

No significant change in the nature of these activities occurred during the year.

Short term objectives

The Group's short term objectives are to:

- Raise its brand profile and build awareness in the family business community. The Group will develop a strong brand underpinned by a clear value proposition and promise to prospective members.
- Partner with like-minded organisations to widen its brand awareness and expand opportunities to attract new members.

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2022

1. General information

Short term objectives

- Seek to partner with 3rd party education providers to further enhance its education portfolio.
- Provide sustainability pathways for families in business.
- Look to satisfy the learning needs of the NxG by exploring exchange and internship programs.
- Expand if peer group programs with the use of technology to make our offerings more accessible to Family Businesses which operate outside the capital cities of Australia.
- Aim to strengthening its advisor network to offer families in business effective solutions to their challenges.
- Provide family business members with experiences that cannot be found elsewhere.

Long term objectives

The Group's long term objectives are to:

- Be recognised as the peak body for families in business in Australia & New Zealand and recognition of the overall sector by the community, government and the media.
- Generate greater public awareness of Family Owned Australian & New Zealand Businesses and educate consumers on the importance of choosing Family Owned Australian & New Zealand Businesses products and services.
- Provide platforms that best drive member engagement, whilst providing FBA with a sustainable financial footprint.
- Provide a customer focused platform for easy engagement of Accredited Advisors.
- Members: 10,000 by 2030 with a retention rate maintained at around 87.5%.

Members' guarantee

Family Business Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are corporations, subject to the provisions of the company's constitution.

At 30 June 2022 the collective liability of members was \$4,620 (2021:\$4,530).

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2022

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 28 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:
K Matthews



Director:
M Kagan

Dated this 26 day of September 2022

Family Business Australia Limited

ABN 61 083 076 000

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenue	4	2,979,656	2,438,257	2,840,208	2,377,168
Cost of functions and events		(1,195,581)	(618,491)	(1,172,044)	(604,460)
Gross Surplus		1,784,075	1,819,766	1,668,164	1,772,708
Expenses					
Accounting and audit		(28,162)	(37,267)	(23,430)	(31,407)
Bad debts		-	(11,538)	-	(11,538)
Consulting		(47,640)	(150,548)	(47,640)	(150,548)
Depreciation and amortisation expense		(61,044)	(89,979)	(61,044)	(89,979)
Education		(7,062)	(11,798)	(7,062)	(7,837)
Employee benefits expense		(1,646,035)	(1,293,688)	(1,549,762)	(1,243,923)
Finance costs		(8,112)	(5,101)	(7,443)	(4,398)
Marketing		(64,463)	(47,567)	(63,268)	(47,115)
Other expenses		(139,271)	(102,298)	(137,258)	(97,701)
Printing, postage and stationery		(8,896)	(15,660)	(8,031)	(13,902)
Rent		(4,330)	(9,976)	(4,330)	(9,976)
Telephone		(15,473)	(21,849)	(13,866)	(20,620)
Travel		(57,319)	(38,885)	(53,756)	(35,317)
		(2,087,807)	(1,836,154)	(1,976,890)	(1,764,261)
Profit/(loss) before income tax		(303,732)	(16,388)	(308,726)	8,447
Income tax expense		-	-	-	-
Profit/(loss) for the year		(303,732)	(16,388)	(308,726)	8,447
Other comprehensive income, net of income tax					
Exchange differences on translating foreign controlled entities		5,260	(492)	-	-
Other comprehensive income for the year, net of tax		5,260	(492)	-	-
Total comprehensive income for the year		(298,472)	(16,880)	(308,726)	8,447
Profit/(loss) attributable to:					
Members of the parent entity		(303,732)	(16,388)	(308,726)	8,447

The accompanying notes form part of these financial statements.

Family Business Australia Limited

ABN 61 083 076 000

Statement of Financial Position

As At 30 June 2022

Note	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1,589,948	1,524,742	1,505,632	1,488,114
Trade and other receivables	410,731	738,902	393,515	733,235
Financial assets	287,248	286,774	287,248	286,774
Loans and advances	-	-	12,000	50,000
TOTAL CURRENT ASSETS	2,287,927	2,550,418	2,198,395	2,558,123
NON-CURRENT ASSETS				
Investments in subsidiaries	-	-	10	10
Loans and advances	-	-	91,455	50,728
Property, plant and equipment	31,553	14,470	31,553	14,470
Intangible assets	147,378	-	147,378	-
Right-of-use assets	155,847	26,239	155,847	26,239
TOTAL NON-CURRENT ASSETS	334,778	40,709	426,243	91,447
TOTAL ASSETS	2,622,705	2,591,127	2,624,638	2,649,570
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	413,570	324,088	387,201	307,599
Lease liabilities	34,126	26,285	34,126	26,285
Employee benefits	86,285	77,895	81,658	77,895
Deferred income	1,911,939	1,819,935	1,841,746	1,781,491
TOTAL CURRENT LIABILITIES	2,445,920	2,248,203	2,344,731	2,193,270
NON-CURRENT LIABILITIES				
Lease liabilities	123,467	-	123,467	-
Employee benefits	39,212	30,346	39,212	30,346
TOTAL NON-CURRENT LIABILITIES	162,679	30,346	162,679	30,346
TOTAL LIABILITIES	2,608,599	2,278,549	2,507,410	2,223,616
NET ASSETS	14,106	312,578	117,228	425,954
EQUITY				
Reserves	5,580	320	-	-
Retained earnings	8,526	312,258	117,228	425,954
TOTAL EQUITY	14,106	312,578	117,228	425,954

The accompanying notes form part of these financial statements.

Family Business Australia Limited

ABN 61 083 076 000

Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Earnings	Consolidated Foreign Currency Translation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	312,258	320	312,578
Profit/(loss) attributable to members of the parent entity	(303,732)	-	(303,732)
Transactions with owners in their capacity as owners			
Exchange differences on translating foreign controlled entities	-	5,260	5,260
Balance at 30 June 2022	8,526	5,580	14,106

2021

	Retained Earnings	Consolidated Foreign Currency Translation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	328,646	812	329,458
Profit/(loss) attributable to members of the parent entity	(16,388)	-	(16,388)
Transactions with owners in their capacity as owners			
Exchange differences on translating foreign controlled entities	-	(492)	(492)
Balance at 30 June 2021	312,258	320	312,578

The accompanying notes form part of these financial statements.

Family Business Australia Limited

ABN 61 083 076 000

Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Parent	
	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	425,954	425,954
Profit/(loss) attributable to members of the parent entity	(308,726)	(308,726)
Transactions with owners in their capacity as owners		
Balance at 30 June 2022	117,228	117,228

2021

	Parent	
	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	417,507	417,507
Profit/(loss) attributable to members of the parent entity	8,447	8,447
Transactions with owners in their capacity as owners		
Balance at 30 June 2021	425,954	425,954

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	3,585,328	3,239,844	3,399,692	3,147,307
Payments to suppliers and employees	(3,288,529)	(2,515,480)	(3,155,043)	(2,431,237)
Interest received	798	1,998	4,592	1,998
Interest paid	(2,463)	(2,716)	(1,794)	(2,013)
Interest paid on lease liabilities	(5,649)	(2,385)	(5,649)	(2,385)
Net cash provided by/(used in) operating activities	289,485	721,261	241,798	713,670
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payment for intangible asset	(147,378)	-	(147,378)	-
Purchase of property, plant and equipment	(27,911)	(7,332)	(27,911)	(7,332)
Purchase of financial assets	(474)	(1,483)	(474)	(1,483)
Loans to subsidiary- payments made	-	-	-	(25,049)
Net cash provided by/(used in) investing activities	(175,763)	(8,815)	(175,763)	(33,864)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payment of lease liabilities	(48,516)	(59,730)	(48,517)	(59,730)
Net cash provided by/(used in) financing activities	(48,516)	(59,730)	(48,517)	(59,730)
Net increase/(decrease) in cash and cash equivalents held	65,206	652,716	17,518	620,076
Cash and cash equivalents at beginning of year	1,524,742	872,026	1,488,114	868,038
Cash and cash equivalents at end of financial year	1,589,948	1,524,742	1,505,632	1,488,114

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Family Business Australia Limited (FBA) and its controlled entities ('the Group'). Family Business Australia Limited is a Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

(b) Revenue and other income

(i) Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

(i) Revenue from contracts with customers

receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

(ii) Sponsorships, events and functions

Revenue is recognised on an accruals basis when it is probable that future economic benefits will flow to the Company.

For sponsorship revenue, this is recognised as the service is provided.

For events and functions, this is recognised when the event occurs.

Monies received in the current period which relate to the following period are recorded as deferred revenue and subsequently recognised as revenue in the period which they relate to.

(iii) Membership

Revenue earned for membership fees are recognised over the period of membership. Monies received in the current period which relate to the following period are recorded as deferred revenue and subsequently recognised as revenue in the period which they relate to.

(c) Income Tax

On 9th October 1998, Family Business Australia Limited received a private ruling from the Australia Taxation Office exempting it from both income tax and tax on any capital gains derived. The ruling applies to years of income from 30th June 1999 onwards. Accordingly no income tax expense/benefit is applicable for the current year.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

(i) Plant and equipment

Plant and equipment are measured using the cost model.

(ii) Depreciation

Property, plant and equipment is depreciated on a straight-line and reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Estimated useful lives
Office Equipment	5-20 years
Computer Equipment	3 years
Leasehold improvements	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

Family Business Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables and other payables.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(h) Leases

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease Liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(j) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate; and
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Family Business Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Foreign currency transactions and balances

Transaction and balances

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(k) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group or refer to Note for details of the changes due to standards adopted.

(l) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

(a) Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(b) Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

(c) Key estimates - employee benefits provision

As discussed in note 2(i), 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Revenue

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
- sponsorship	313,561	265,190	276,058	258,208
- membership fees	676,197	635,610	641,388	611,824
- function/events	1,951,498	1,163,903	1,909,081	1,139,035
- interest received	798	1,998	7,319	1,998
- government subsidies	37,602	371,556	6,362	366,103
	2,979,656	2,438,257	2,840,208	2,377,168

5 Trade and Other Receivables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
Trade receivables	350,904	555,877	333,688	550,210
Provision for impairment	(2,732)	(5,119)	(2,732)	(5,119)
	348,172	550,758	330,956	545,091
Security deposit	11,550	12,024	11,550	12,024
Prepayments	51,009	176,120	51,009	176,120
Total current trade and other receivables	410,731	738,902	393,515	733,235

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Reconciliation of changes in the provision for impairment of receivables is as follows:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance at beginning of the year	(5,119)	(4,275)	(5,119)	(4,275)
Movement through provision	2,387	(844)	2,387	(844)
Balance at end of the year	(2,732)	(5,119)	(2,732)	(5,119)

Family Business Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

6 Loans and Advances

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
Loans to subsidiary				
Loans to group companies	-	-	12,000	50,000
	-	-	12,000	50,000
	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
NON-CURRENT				
Loans to subsidiary	-	-	91,455	50,728
	-	-	91,455	50,728

The loan from parent was provided to fund the working capital and operational expenses of its subsidiary for three years. The loan is unsecured with interest equivalent to the interest earned by the lender plus 2% on its cash deposits in respect of the relevant period. Annual payments of \$25,000 per annum are to be made from July 2020 with the final payment of amount outstanding on 30 June 2022. However, due to uncertain economic trading conditions, as a result of COVID 19, the Board agreed to again defer the repayment of the loan principal. It is anticipated that repayment of loan principle will start in the 2022-2023 financial year at a rate of \$1,000 per month. Interest will continue to be accrued and paid yearly.

7 Property, plant and equipment

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Plant and equipment				
At cost	97,751	78,990	97,751	78,990
Accumulated depreciation	(80,900)	(77,236)	(80,900)	(77,236)
Total plant and equipment	16,851	1,754	16,851	1,754
Computer equipment and software				
At cost	324,199	315,049	324,199	315,049
Accumulated depreciation	(309,497)	(302,333)	(309,497)	(302,333)
Total computer equipment	14,702	12,716	14,702	12,716
Total property, plant and equipment	31,553	14,470	31,553	14,470

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Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Plant and Equipment \$	Computer Equipment \$	Total \$
Parent			
Year ended 30 June 2022			
Balance at the beginning of year	1,754	12,716	14,470
Additions	18,761	9,150	27,911
Depreciation expense	(3,664)	(7,164)	(10,828)
Balance at the end of the year	16,851	14,702	31,553
	Plant and Equipment \$	Computer Equipment \$	Total \$
Consolidated			
Year ended 30 June 2022			
Balance at the beginning of year	1,754	12,716	14,470
Additions	18,761	9,150	27,911
Depreciation expense	(3,664)	(7,164)	(10,828)
Balance at the end of the year	16,851	14,702	31,553

8 Intangible Assets

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Computer software				
Cost	147,378	-	147,378	-
Total Intangible assets	147,378	-	147,378	-

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Parent		
Year ended 30 June 2022		
Additions	147,378	147,378
Closing value at 30 June 2022	147,378	147,378

Family Business Australia Limited

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Notes to the Financial Statements For the Year Ended 30 June 2022

8 Intangible Assets

8 Intangible Assets

	Computer software	Total
Consolidated	\$	\$
Year ended 30 June 2022		
Additions	147,378	147,378
Closing value at 30 June 2022	147,378	147,378

The Company purchased software during the year however the software is not available for use as at 30 June 2022 hence it is not amortised in the 2022 financial year.

9 Leases

The Group as a lessee

The Group has leases over a range of assets including land and buildings, and parking.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Buildings

The previous lease for land and building ended on 30 November 2021.

The Company entered into a new office lease on 15 November 2021. The new lease includes land and building for their corporate office and parking spaces with lease term of 3 years ending on 15 November 2024.

Right-of-use assets

	Buildings	Total
Parent	\$	\$
Year ended 30 June 2022		
Balance at beginning of year	26,239	26,239
Depreciation - buildings	(50,216)	(50,216)
Additions to right-of-use assets	179,824	179,824
Balance at end of year	155,847	155,847

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Notes to the Financial Statements For the Year Ended 30 June 2022

9 Leases

Right-of-use assets		Buildings	Total
		\$	\$
Parent			
Year ended 30 June 2021			
Balance at beginning of year		89,213	89,213
Depreciation charge		(62,974)	(62,974)
Balance at end of year		26,239	26,239
Consolidated			
Year ended 30 June 2022			
Balance at beginning of year		26,239	26,239
Depreciation charge		(50,216)	(50,216)
Additions to right-of-use assets		179,824	179,824
Balance at end of year		155,847	155,847
Consolidated			
Year ended 30 June 2021			
Balance at beginning of year		89,213	89,213
Depreciation charge		(62,974)	(62,974)
Balance at end of year		26,239	26,239

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	Consolidated				Lease liabilities included in this Statement Of Financial Position
	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	
	\$	\$	\$	\$	\$
2022					
Lease liabilities	34,126	123,467	-	157,593	157,593
2021					
Lease liabilities	26,285	-	-	26,285	26,285

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Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Leases

	Lease liabilities			Parent	
	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	34,126	123,467	-	157,593	157,593
2021					
Lease liabilities	26,285	-	-	26,285	26,285

Extension options

The building lease contains extension options which allow the Company to extend the lease term by up to twice, for a further 1 year period on each extension option. The Company has determined that it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Interest expense on lease liabilities	(5,649)	(2,385)	(5,649)	(2,385)
Depreciation of right-of-use assets	(50,216)	(62,974)	(50,216)	(62,974)
	(55,865)	(65,359)	(55,865)	(65,359)

Statement of Cash Flows

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Total cash outflow for leases	48,517	59,730	48,517	59,730

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Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Trade and Other Payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
Trade payables	26,444	42,406	26,223	42,296
GST payable	189,744	165,046	174,117	157,299
Other payables	119,131	56,762	112,398	50,643
Accruals	78,251	59,874	74,463	57,361
	413,570	324,088	387,201	307,599

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11 Employee Benefits

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current liabilities				
Annual leave	86,285	77,895	81,658	77,895
	86,285	77,895	81,658	77,895
Non-current liabilities				
Long service leave	39,212	30,346	39,212	30,346
	39,212	30,346	39,212	30,346

12 Reserves

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Foreign currency translation reserve				
Opening balance	320	812	-	-
Other movements	5,260	(492)	-	-
	5,580	320	-	-

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Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Reserves

(a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

13 Retained Earnings

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	312,258	328,646	425,954	417,507
Net profit/(loss) for the year	(303,732)	(16,388)	(308,726)	8,447
Retained earnings at end of the financial year	8,526	312,258	117,228	425,954

14 Key Management Personnel Remuneration

Key management personnel remuneration (Chief Executive Officer, Chief Financial Officer, Products Manager, Marketing Manager, Membership Manager, Events Manager and State Managers) included within employee expenses for the year is shown below:

	2022	2021
	\$	\$
Aggregate compensation	893,021	865,999
	893,021	865,999

15 Auditors' Remuneration

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Remuneration of the auditor [rdl.accountants] for:				
- auditing the financial statements	10,400	10,000	10,400	10,000
- assisting with financial statements	3,300	3,000	3,300	3,000
- general consulting	5,100	12,350	5,100	12,350
Total	18,800	25,350	18,800	25,350

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021:None).

Family Business Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

17 Related Parties

(a) Key management personnel

Key management personnel - refer to Note 14.

(b) Transactions with related parties

Directors and key management personnel received reimbursement of expenses as incurred during the year.

(c) Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

(d) Loans to/from related parties

Inter-entity loan maintained at arms length - refer to Note 6. There are no other loans to/from related parties.

(e) Other related parties transactions

During the financial year Grant Thornton New Zealand paid sponsorship fees to Family Business New Zealand Limited and provided business advisory services for Family Business New Zealand Limited on arms length basis.

18 Going Concern

The operating result for the year shows a deficit of \$303,934, down from last year's deficit of \$16,388. As consequence of the continued COVID 19 restrictions, FBA experienced a significant decrease in attendance numbers at major conferences and events which resulted in gross revenue to decrease by 28% from the year prior. Whilst direct costs were reduced by 29%, FBA was only able to reduce expenses by 11.5% (\$256k favourable to budget) and this was ultimately the difference in our ability to achieve a balanced financial outcome. The current asset ratio is 0.94 down from 1.13 in the prior year. Cashflows for the year shows a net inflow/outflow of \$289,284 from operations.

The financials have been prepared on a going concern basis based on the following factors:

1. Prudent financial management, with strong Board governance oversight.
2. Revised budget, with a focus on operational deliverable to provide the organisation with strong financial returns.
3. Updated business operations model with a focus on Member engagement and growth.
4. Other factors including a 26% increase in membership and forum fees.

The directors are confident that with the above the company can discharge its liabilities as and when they fall due and realise its assets and its potential in the future.

19 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements

For the Year Ended 30 June 2022

20 COVID-19 Event

The COVID 19 pandemic continues to have a significant impact on the Australian economy and is likely to do so for some time to come. At this stage, it is impossible to accurately estimate the financial effect that the ongoing COVID 19 virus and associated measures will have on the company. At the date of this report the company is forecasting a decrease in gross income, however appropriate cost control measures have been set by Board and senior management to offset the shortfall. The directors of the company consider that the company has sufficient financial resources to enable it to continue to operate for the coming year, and as a result, these financial statements have been prepared on a going concern basis.

21 Statutory Information

The registered office and principal place of business of the company is:

Family Business Australia Limited
Suite 2, Level 5
24 Albert Road
South Melbourne Vic 3205

Family Business Australia Limited

ABN 61 083 076 000

Directors' Declaration

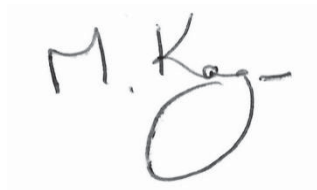
The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board; and
 - b. give a true and fair view of the financial position and performance of the Company and consolidated group;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: K Matthews



Director: M Kagan

Dated 25 September 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FAMILY BUSINESS AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Hung, CA
r.d.l.accountants

26th September 2022
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY BUSINESS AUSTRALIA LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Family Business Australia Limited (the company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Family Business Australia Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Basis for Opinion

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

Directors' Responsibility for the Financial Report

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

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

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 *skepticism* throughout the audit. We also:

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

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.



Matthew Hung, CA
rdl.accountants

27th September 2022
Blackburn, Victoria