



Family Business
Australia



Family Business
New Zealand

2020

FAMILY BUSINESS AUSTRALIA AND NEW ZEALAND

ANNUAL
REPORT

Contents

About Us	04
Membership	05
History of FBANZ	06
A Year in Review	07
FBA Chairman's Report	8-9
FBNZ Chairman's Report	10-11
CEO Report	12-15
Chair of Finance, Audit & Risk Committee Report	16-17
Board of Directors	18-19
FBANZ Staff	20-21
Ambassadors	22-23
Awards Recipients	24-25
Brands of FBANZ	26
Future Plans	27
Partners	28
Financial Statements to follow	



“The exposure and opportunity to build our network through FBA has been invaluable. Family business is purpose-driven business, and this really resonates for our reason for operating.

We have connected with inspiring individuals, business owners & advisors whom we have been able to collaborate with, seek advice from and build effective partnerships with. It really has broadened our horizons – personally and professionally!”

Kirbie McWhirter - PerformHR

About us

Family Business Australia and New Zealand are the peak bodies for family businesses in Australia and New Zealand. FBANZ works strategically with all family business stakeholders to lead the delivery of unique and innovative services, creating professional pathways and connecting the family business community. FBANZ provides access to specialist family, business and technical services, generating opportunities for families in business to learn and grow by networking and sharing with their peers.

Mission

FBANZ's mission is to support families in business thrive and prosper through generations.

When family meets business there are both opportunities and challenges. The challenges can affect the wellbeing of individuals, families and businesses. Family Business Australia & New Zealand (FBANZ) exists so that these families in business do not have to struggle alone. By working at the intersection of family and business, FBANZ supports both a healthy family and a successful business.

Vision

Our vision is to be the leading association that focuses on maximising positive economic, social and environmental impact for family businesses.

Family Business Australia & New Zealand (FBANZ) serves over 3,200 family business members out of approximately 2.5 million family businesses. Hundreds of thousands of families in business may be facing the challenges of family and business alone. There is an opportunity for FBANZ to help many more families and we will continue to introduce new initiatives as we endeavour to support every family in business.



Values

There's a certain understanding and trust that comes when working with a family business. When family works together and share their wins and achievements, it's not just a job, but they have the future of their family invested. This is often reflected in their business practices and how they relate to their clients and customers, which benefits from that investment and trust.

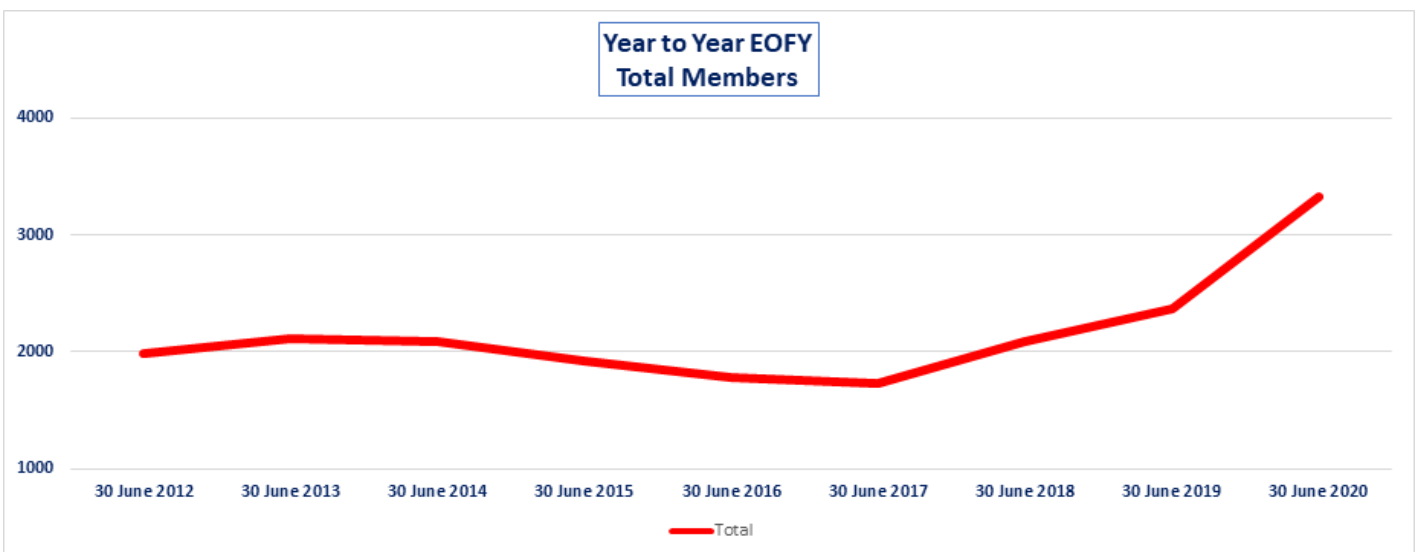
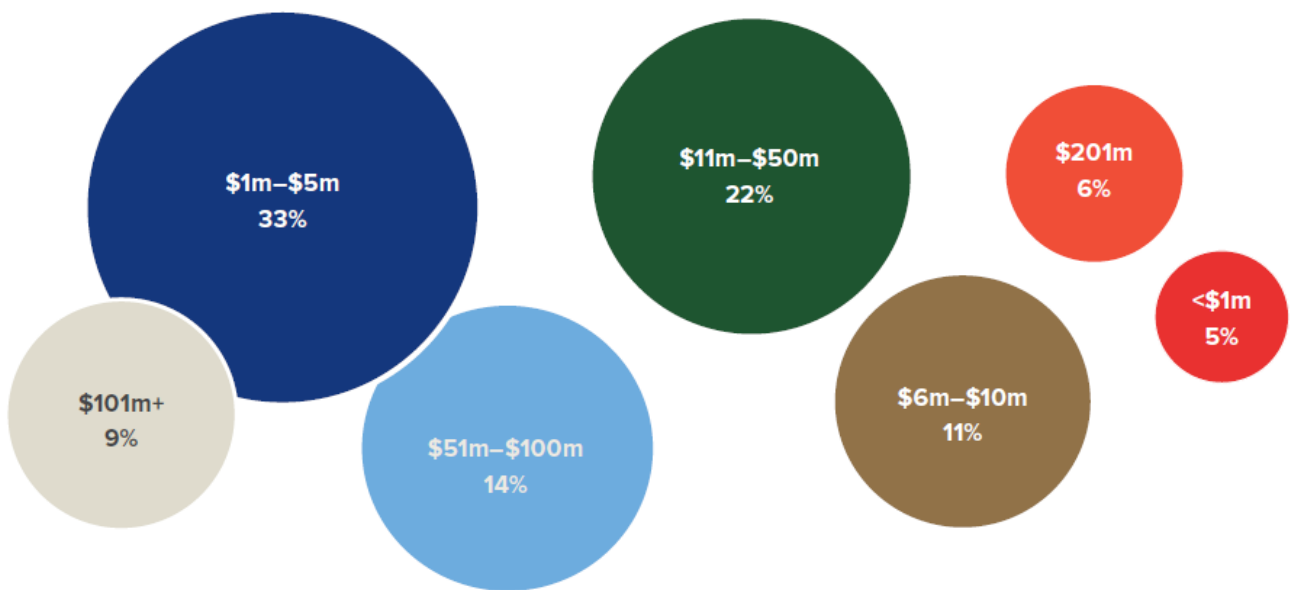
Membership with FBANZ ensures you are immersed in the family business community. We work in the space where family, business, and ownership all intersect. Our education programs and special events are designed to generate opportunities for families in business to learn and grow, by networking and sharing with their peers. We provide access to specialist family, business, and technical services.

Membership

FBANZ's membership is made up of family business owners and operators (88 percent) and professionals who advise family businesses (12 percent).

The following graphs provides a breakdown of FBANZ members by turnover and the increase year on year for membership.

FBA AND FBNZ MEMBERSHIP BY COMPANY TURNOVER



History of FBANZ



Our roots are what lays the foundation in successfully supporting families in business.

Family Business Australia (FBA) was established as a national body in 1998, after a merger between Australian Family Business Network and Family Business Council.

From the very beginning, FBA was governed by directors who initially were appointed from other entities. When the constitution was adopted the system was implemented naming representatives from each chapter together with a few national appointees.

In 2020, FBA went through its most dramatic change in its 22 year history, with members voting in favour of a constitutional change that resulted in FBA moving away from its federated model and become a true national organisation. State chapters and committees were dissolved and replaced with

Regional Directors and Ambassadors to ensure that FBA thinks nationally but acts locally.

Over the past 22 years, FBA has launched a number of initiatives to support the family business sector including:

- Forum Group Program
- Women's Forum Program
- The Family Business Conference – Asia Pacific
- Family Business Awards Program
- Family Business Hall of Fame
- Advisor Accreditation Program
- Education courses that specifically address the challenges of family business
- National Family Business Day
- 'A family owned Australian business' and 'A family owned New Zealand business' emblems
- NxG Connect and Leaders Program

In 2019, Family Business New Zealand launched to support the growing family business sector in the country and forge connections between Australia and New Zealand.

Today, Family Business Australia and New Zealand has members in Australia and New Zealand across a vast range of industries.



YEAR IN REVIEW

Key highlights include



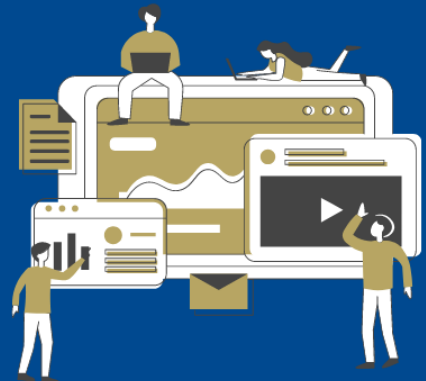
We launched our webinar series in April. We've hosted 19 webinars since then.



Member retention rate from FY19-20



Launched our first Forum Group for Women



Launched a wide range of new online member initiatives to keep our members connected



Launched the Alumni Society for long-standing members



427 **NEW** members joined this year

Milestone engagement for National Family Business Day 2020
#NFBD20 was used 563 times!



FBA Chairman's Report

*Just as importantly,
I need to thank you,
our members of FBA.*

*The take up of our
membership for this
year has been amazing.*



I was reading my last year's report, which was full of all the wonderful events we were planning, the face to face courses and the networking events culminating in the Family Business Conference - Asia Pacific. A highlight of the year for all of us.

Then COVID-19 hit. Well we missed all the face to face and networking events, but the Family Business Australia (FBA) office staff has generated almost all the educational offerings online.

Forum groups moved to Zoom. Webinars were constant. Interviews with wonderful family businesses continued to take place and planning for the future never slowed down.

Sincere thanks to all our staff who are working from home under these very stressful conditions.

To all our Regional Directors and their Ambassadors (formerly committee members) who dedicate their time to this wonderful organisation, thank you.

Just as importantly I need to thank you, our members of FBA. The take up of membership for this year has been amazing. I believe we are very close to our target of 85% retention for FY21.

Our Forum Group retention is at 95% for FY21. These are very impressive figures in this difficult time.

As such, and together with the Federal Government grants and JobKeeper, we are better placed than what we budgeted for.

So, what are we planning? With the overwhelming support of our members we have changed our Constitution.

This will allow us to think nationally but retain the state focus. We are working on the Strategy documents compiled early in the year.

New National Committees will be formed e.g. Events, Next Generation, Women in Family Business to name a few.



Education is constantly an ongoing focus. Best of all, we are planning our first face to face functions this year in WA, QLD and NSW.

And an abridged Family Business Conference in Sydney in March on the 19th as well as the Family Business Asia Pacific Conference in November 2021 in Queensland.

Our Advocacy committee has been very busy since COVID-19 arrived. Together with COSBOA we have attended weekly and sometimes bi-weekly meetings.

We have taken several of our member's concerns to the Ombudsman and also the extended payment terms that some of our members have been forced to accept, to Brendan O'Connor, Shadow Minister for Employment and Industry and Small and Family Business.

The Australian Small Business and Family Enterprise Ombudsman, Kate Carnell has also been very active and working closely with us.

It is a very difficult time to predict that all events will actually be held. Melbourne will have to wait a bit longer before we plan any face to face events.

As a community, we are very strong. Take advantage of our offerings. Advertise the fact that you are a Family Business or a certified Family Business Advisor. Globally, people prefer to deal with a family business.

Keep safe during this virus, stay healthy and I really look forward to catching up with you face to face as soon as possible.

Mark Kagan
National Chairman
Family Business Australia

FBNZ Chairman's Report

We now look forward to continuing to build on the work done so far and becoming the foremost member organisation for family businesses and their advisors in New Zealand.



At the start of this financial year Family Business New Zealand had zero members. We had held an excellent workshop in Auckland in February 2019 to test the interest amongst the family business community in New Zealand. One of NZ's most well-known business families, the Hynds Family, hosted and Dennis Jaffe was the keynote speaker. The feedback was quick and encouraging.

So, thanks to the vision and energy of Greg Griffith, and the support of the FBA Board, we were able to “go live” on 1 July 2019 with a full-time Country Manager (Nicole Oswell) with a full schedule of events.

Nicole immediately got to work building a family business community in New Zealand, starting by getting on board top quality Foundation Members to anchor that community. To have the support of such great family business as the Hynds Group, Russell Group, A.H. Beard, Turley Farms, Kennards and Thermosash Group has been absolutely amazing.

During the first half of the year we connected more than 100 individuals from the family business community with networking events hosted by impressive family businesses, an education programme on succession facilitated by Dr Deb Shepherd, an inspirational presentation by Brian White, Chairman of Ray White Group (thank you Brian!) and we had a solid representation of Kiwis at the Family Business Conference in Melbourne.

Like everywhere else, face to face events were impossible from March. We quickly had to adapt and focus on providing our community with support and value as they worked out how to deal with a radically different world. I would like to echo the comments made by Greg in his report and personally thank the fantastic FBA and FBNZ teams for their dedication, adaptability and sheer smarts in how they adjusted to the new order of things and ensured our members got what they needed.

We're very pleased to have reached a membership of 54 family businesses in the first 12 months of operation, from a standing start. Taking the population differences into account that would equate to 260 members in Australia. I'm particularly pleased with the quality of the brand and community we are building in New Zealand. Word is getting out there that our programmes provide real value and we are being noticed.



Our advisor community, in particular, has been incredibly supportive and quick to engage with us. We are lucky to have firms like Cone Marshall who are hosting and underpinning our end of year function within our network and would not have done as well without them. I also want to acknowledge and thank Brad Scott of EWM Group who became a National Gold Sponsor during the year. We just wouldn't be able to put together the great programmes we do without our advisor community and sponsors.

It would be remiss of me not to single out Nicole, our Country Manager. When you're starting an organisation from scratch, with no membership, no programme and no profile, you have to be all things to all people. Nicole's broad skill base, determination to bring quality offerings to the NZ family business community and professionalism have been pivotal in building and retaining the solid foundation we have in New Zealand, in just a few months. Thank you Nicole.

We have challenging times ahead, but now more than ever businesses need the knowledge and support that comes from being involved in an organisation like ours.

We've shown we can listen to what our members are telling us and adapt to ensure we're providing what they need. Thankfully, at the time of writing this, we are back to some sort of normality with in person events possible again and with the backing of family businesses like Villa Maria who hosted us in October at their award winning facilities we know we are on to a good thing. We now look forward to continuing to build on the work done so far and becoming the foremost member organisation for family businesses and their advisors in New Zealand.

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

Iain Blakeley
Chairman
Family Business New Zealand

CEO Report

What an extraordinary year we have just been through and continue to live with as the COVID-19 pandemic affects nearly every aspect of our everyday lives.



Before I get to my report, I would like to wish every member, and all Australians and New Zealanders, a safe and successful year ahead. The impact of this pandemic is being felt by everyone and these are, without doubt, extremely challenging times.

THE YEAR THAT WAS

The start of the financial year was met with great optimism as over 87% of members renewed their membership which was slightly down on our budget of 87.5%, however due to the mix of members resigning, retention dollars exceeded budget.

Family Business Australia (FBA) officially launched Family Business New Zealand (FBNZ) and appointed Nicole Oswell as the inaugural Country Manager.

Nicole took up the position after 3 years as the National Marketing Manager for FBA and along with Iain Blakeley (FBNZ Chairman), set up operations and got underway with a series of events that saw 6 'Founding Members' and a total of 54 family businesses join FBNZ throughout the financial year.

As a start-up organisations (on the back of 22 years of FBA history), we have a long way to go to service and support the NZ Family Business sector, however we should all be proud about what we have achieved in such a short period of time and I'm looking forward to continue to advance our offering to a wider market in FY21.

On the back of what was labelled as "the best conference in FBA history" in Alice Springs, the team worked hard to prove that Alice Springs was only the benchmark and the Family Business Conference in Melbourne would deliver an experience second to none.

Danielle Ricato (FBA National Events Manager) in conjunction with Anne-Marie McNally (National Product Manager), put in place a speaker and events program that left those in attendance crying out for more.

Headlined by Frank Costa (Costa Group), Brian White (Ray White Group), Mark Bouris (Yellow Brick Road Group) and 12th generation De Dietrich family, just to name a few, a record 450 members attended the conference.

Our events program was taken to a new level, with the 'Longest Lunch' again a hit at the beautiful Crown Aviary and over 500 members (a sell-out) joining us at the Forum Melbourne for the Family Business Awards Dinner.



World renowned entertainer Anthony Callea rocked the room so much so that the stage was ambushed by members who danced up a storm. The Grand Finale Dinner with a Greatest Showman theme capped off a memorable three days. With the FY21 conference now rescheduled to be held in Sydney on the 19th March 2021, the challenge will be to see if our Sydney members can turn up in force and outdo their Melbourne counterparts with even higher attendance numbers.

The conference also provides FBA with an opportunity to recognise individuals for the contributions they have made, over a number of years, to Family Business Australia specifically, and the family business movement in general.

Congratulations to Dr Jill Thomas (University of Adelaide and current FBA Board member) who was awarded Life Membership, and to Angela Ciliberto (C-Direct), Graham Henderson (Mitchell Laminates), John McLean (Bundaberg Brewed Drinks) and Bill Noye (KPMG) who all received the Chairman's Award.

Each of these individuals were recognised for their commitment to the principles of family business best practice and their strong leadership in the delivery of the organisation's objectives.

FBA also celebrated and recognised the achievements of family owned Australian businesses, and the special achievers who contribute positively to our lives, our culture and the future of the Australian economy.

The NxG Achiever Award, awarded to Amie Lyone (COS), the Accredited Advisor Award, awarded to John Broons (John Broons Advisory) and FBA's Distinguished Family Business of the Year Award, awarded to Seeley International (the Seeley family) from SA.

National Family Business Day (held on the 19th of September) is also an opportunity to celebrate and recognise the achievements of Family Owned Australian Businesses via FBA State Hall of Fame.

The FBA Hall of Fame is a highly regarded peer commendation bestowed at a state level by Family Business Australia on some outstanding, local family businesses. Regardless of size of the business, this citation recognises the achievements of families that are managing respected and successful family businesses and pays homage to the significant role that they play in our community, society and economy.

Induction into the FBA Hall of Fame is an honour that is highly esteemed within the family business sector and inductees are justly proud to be recognised for their achievements.

Congratulations to Ella Bache and TrendPac from NSW & ACT; Matthews Real Estate from Qld; Bowhill Engineering from SA&NT; Colorific, Matthews Australasia, and Normark Landscapes from Vic & Tas; and Linneys Jewellery from WA who were the Hall of Fame inductees for 2019.

The Australian and New Zealand Boards along with 5 next gen family business representatives and key management personal worked to develop a new 2030 Strategic Outlook document to guide the business over the next 10 years.

The outlook document was created after surveying over 120 family business owners and advisors about the challenges the sector faces and what role FBA and FBNZ play to ensure our products and services are designed to meet the future needs of the family business sector.

Some key drivers will be around sustainability, supporting women in family business, next gen and peer to peer programs.

FBA entered into a number of strategic partnerships throughout the year, these include Women in Family Business, GovernRight, Brands of Kin, and B-Lab Australian and New Zealand to help meet the current and future needs of our members.

In late 2019, FBA put through an operational restructure with the centralisation of membership to the National Office and changing the role of State Managers to that of part-time Regional Officers.

Our aim is to become a true national organisation that provides a value proposition that is equitable and sustainable across the country to all current and prospective new members. Recruitment of Regional Officers was due to begin at the start of the 2020 calendar year, however due to COVID-19, FBA put in place a recruitment freeze.

The biggest event for the year is one that everyone is experienced in – COVID-19 - and from early February, the FBA team started to prepare for lockdown. As a predominantly face to face events/education business, COVID-19 had a major impact on FBA/FBNZ operations as we were required to cancel all face to face events from March onwards. The Forum Group Program that provides vital support to so many of our members was quickly transitioned to an online model.

Special thanks to our Forum Facilitators who were amazing to work with during this transition. They supported those members who were heavily impacted by COVID.

The FBNZ team were amazing in pivoting to change up FBA / FBNZ value proposition to support members during COVID and to provide other methods for members to engage.

This included online Forum delivery, COVID-19 webinar series, online Advisor Connect meetings, invite only Advisor Connect LinkedIn group, invite only Family Business Facebook group, development of online education for Succession and Governance courses, heavy advertising of the Emblem and the development of the Masterclass Series.

OPERATIONS

FBA membership continued to grow in FY20. On the back of the 10.61% net increase in FY19, FBA achieved a 4.33% net increase (compared to a budget increase of 11%) with 427 new members joining our Association (compared to 295 in FY19).

If we take into account our Association partnerships, our membership increased by 48%, with total membership pushing above 3,100.

Our member retention was 87% representing 1,840 members renewing their membership (compared to a retention budget of 87.5%).

What was very pleasing to see was new member acquisition between March and June 2020 exceed budget and in light of COVID-19, this is a terrific result and is testament to the community setting that FBA and FBNZ brings to the family business sector.

Our Forum program continues to add value to 254 participants with a net growth of 4% achieved in the financial year.

What is very pleasing to see that for the FY21 year, 95% of forum participants have renewed their commitment to the program. Unfortunately the COVID-19 shutdown did have a major financial impact on our events and education programs, as many of these were set to run in the second half of the year.

Family Business Insights - State Conferences, Governance Course, Succession Course and the Family Business Leaders Program were all cancelled and this had a major impact on FBA's bottom line.

In conjunction with the National Board, FBA imposed a cost reduction strategy to ensure we can service members into the future.

Resource savings and general cost reduction around rent and travel meant that FBA was able to produce a favourable result compared to budget.

Working closely with the Audit, Finance and Risk committee (Chaired by Ken Mathews), Andrea Moody (CFO) set about ensuring FBA and FBNZ could access all the government grants, kept a close watch on expenditure which has seen us produce a favourable financial surplus and a better than expected result.

FBA continues to represent the family business sector with representation on the ASIC Business Advisory Committee and the ATO Private Stewardship Group Secretariat.

In FY20, FBA set up its Advocacy Committee and has been working closely with COSBOA to establish government relationships and enter into 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 FBA Chairman Mark Kagan and his fellow board members for their dedication and willingness to provide clear advice and direction to management and staff. It is valued and appreciated.

To our State Committee members who on a consistent basis give up their own time to support activities to benefit our members.

Our committee members will be transitioning to FBA Ambassadors in FY21 and they will play a very important role to allow FBA and FBNZ to 'think national but act local'.

To the Council of Wisdom, which is chaired by Steve Samson, 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 (National Gold Partner) led by Brad Scott, thank you for the value you bring to so many of our members.

In addition I would like to welcome and thank Grant Thornton as a new major sponsor of FBA (for FY21) and in particular to Robert Powell who led the discussions and is an advocate for FBA and the sector as a whole.

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

To my operational team, I thank you for your dedication and commitment to consistently deliver on our objectives and dealing with the many challenges

placed before you along the way.

This year we threw out the rule book when it came to job descriptions due to COVID, and the team has been amazing as we have all moved collectively to meet the demands of the business.

Congratulations to Emily Spalding (Forum Group Manager) and Kristy Ellis (QLD Regional Officer) on the birth of their beautiful new babies. We look forward to meeting them in person and welcoming you both back in the New Year.

And of course to you, our members, who are the backbone of FBANZ. What an amazing group of people you are. Your commitment to your family, your business and to FBANZ has been truly wonderful to see. You are the reason why FBANZ does what it does. I wish you every success in the year ahead.



Greg Griffith
Chief Executive Officer
Family Business Australia and New Zealand



Chair of Finance, Audit and Risk Committee

It is with great pride that I present my first report on behalf of the Finance, Audit & Risk Committee of Family Business Australia



Against the background of an extremely challenging economic and social climate, Family Business Australia (FBA), Family Business New Zealand (FBNZ), enjoyed a highly productive FY20, with a number of highlights including the development and implementation of a new Strategic Outlook, an organisational restructure, and a positive financial result.

Family Business Australia and New Zealand's (FBNZ) Strategic Outlook 2020-2030 provides us with the framework to help our members navigate changing family and business dynamics, and the resources to prepare families in business for the future.

Our new Strategic Outlook has given us greater focus as a board and, from a financial perspective, FBA is now a leaner and more cost-efficient operation.

Our goal is to serve 10,000 active family business members by 2030, and strategic focal points such as forging productive partnerships and establishing new market segments will significantly improve our value proposition to members, stimulating growth in our membership.

This in turn will precipitate growth in our revenue base, and improve our capacity to achieve our twin goals: 'to support every family in business', and 'to give families in business what they need to thrive'.

A once-in-a-decade undertaking, FBA's restructure saw us disband our state chapters in favour of national board representation, creating a more streamlined, agile and accountable organisation. Board and management have worked together to design and embrace a structure resourced to withstand whatever challenges the organisation faces in the coming years.

FBA's financial results for FY20 are also worthy of note. The organisation recorded a Net Surplus of \$106,883 for the year. A significant improvement on the \$5,105 surplus of FY19 and the \$29,036 Net Deficit of FY18.

And, while our first full year of consolidation with Family Business New Zealand (FBNZ) resulted in a loss in New Zealand of \$77,455, our combined organisations reported a consolidated profit for the year of \$29,299, a remarkable result in a turbulent economic climate.



This solid financial performance is due to clinical management of expenses, discretionary expenditure cutting, partnership with major sponsors, and maintenance of our membership at 87% .

And, while we managed cost meticulously during FY20, FBA has continued to lay the foundations for our future, deploying a new CRM system and website.

My thanks to FBA CEO Greg Griffith, for his unfaltering leadership during a time of enormous uncertainty, and to his team, and the FBA Board of Directors, for their support during my first year as Finance, Audit and Risk Committee Chairman.

Thank you to my predecessor, Graham Henderson, for his comprehensive hand-over, and to Andrea Moody, our new CFO, who has done exemplary work in revamping our accounts and keeping us informed of our financial position.

In a year of unprecedented change globally, FBA has undergone its own significant transformation, and I'm proud of the way that the board and the management have united through these unprecedented times, and established the structure, resources, agility and flexibility to meet future challenges head on.

FBA has emerged from FY20 in a position of strength, and we can be confident that we now have a structure, and the resources and flexibility, to achieve our goals.

Ken Matthews
Chair – Finance, Audit and Risk Committee
Family Business Australia

Board of Directors

Family Business Australia is a company limited by guarantee and is governed by a Board of Directors, comprising representatives from family business and higher education.



Mark Kagan
Scarpa Imports

Mark brings with him a wealth of knowledge of the family business sector having been joint Managing Director of Kagan Logistics for a majority of his professional career. He has been a FBA member for over 20 years and is a long-term member of the VIC Forum Group Program.



Iain Blakeley
Family Capital 100

Iain is a lawyer and enrolled as a Barrister and Solicitor of the High Courts of New Zealand and Fiji. He brings with him more than 25 years experience in New Zealand as a civil/commercial litigator, government lawyer, tax and business advisor.



Jeff Ash
Filter Supplies

Jeff is a second generation filter specialist who manages Filter Supplies (WA). Founded by his parents Hugh and Rosemary in 1967, it has become the largest business of its type in Australia. Jeff has overseen a sustained period of growth and market repositioning of the business.



Sara Pantaleo
La Porchetta

Sara left her corporate role at La Porchetta in February 2020. She is now focusing on her family business and consultancy Affari SP and community sector roles, including co-founding and chairing the Moira Kelly Creating Hope Foundation. Sara was the national Franchise Woman of the Year in 2010 and she was also a Victorian finalist in the 2012 Telstra Business Woman of the Year award.



Mary Mercuri

Ennio International

Allan Colless is Managing Director of Colless Young, an Australian family business with an international logistics focus. Colless Young was built on integrity and family values and Allan brings these qualities to FBA, as well as a desire to help build and develop other family businesses.



Allan Colless

Colless Young

Mary has a strong interest and respect for what family businesses offer their stakeholders, the values they espouse and how this impacts on the next generation and employees. Stewardship is most important to her, wanting to ensure the next generation can continue the legacy.



Danielle Robertson

DR Care Solutions

Danielle is the founder and Chief Executive Officer of DR Care Solutions. She has been a FBA member since 2001 and aspires to assist the association to grow significantly as well as lead by example and help build a new culture.



Ken Matthews

Matthews Steer

Ken is the founding Partner and Managing Director of Matthews Steer Accountants & Advisors. He has been an advocate & Specialist Accredited Advisor of FBA since 2012. Ken is a Board Member and chairs the Audit, Finance and Risk Committee.



Dr Jill Thomas

University of Adelaide Business School

Since retiring from her substantive role at the University of Adelaide Business School, Jill has been a Visiting Research Fellow there. Not only is she a board member, she is also a Fellow of the Family Firm Institute (FFI) and a member of the FBA SA advisory committee.

FBANZ Staff

FBANZ is supported through a full team comprising of National Office team members and Regional representatives. Each team member is specialised in their field and has indepth knowledge about the family business sector.



Greg Griffith
Chief Executive Officer



Andrea Moody
Finance and Operations
Manager



Nicole Oswell
FBNZ Country Manager



Anne-Marie McNally
National Product Manager



Lou Hill
National Marketing Manager



Danielle Ricato
National Events and Sponsorship
Manager



Emily Spalding
Forum Group Manager



Wendy Foster
Special Project Manager



Tim Smith
National Membership
Engagement Officer

FBANZ Staff cont.



Tom McKernan
National Membership Coordinator



Diana Thoeny
SA & NT Regional Officer



Kristy Ellis
QLD Regional Officer



Elizabeth Nguyen
National Events Coordinator



Melinda Lyons
National Marketing Coordinator



Jacqui Webb-Pullman
Office Manager



Emma Stephens
Finance

Family Business Ambassadors

Thinking Nationally, Acting Locally

Family Business Ambassadors play a vital role in supporting and shaping the future of family business in Australia and New Zealand. As longstanding supporters of FBANZ, Ambassadors represent, promote and advocate on behalf of the family business community to build a stronger, viable and purpose-driven sector.



Donella Caspersz
University of Western
Australia



Stella Gianotto
The Brands for Brands
Agency



Emily Hammon
Hammon Holdings



Mimmo Lubrano
Sandhurst Fine Foods



Daniel Prypchan
Next Gen CFO



Erin Hilsdon
Munro Group HR
Managemnt



Robert Powell
Grant Thornton Australia



Mary Barrett
Academic BA (Hons),
MBA, PhD



Grant Menzies
Adina Watches



Jack Green
Green Rv



Naomi Birdthistle
Griffith University



Blake Davies
Self Storage Australia



Zoe Detmold
Detmold Group



Brett Miller
Miller Dental Group



Cheri Brunt
Bell & Brunt



Penni-Anne Donato
Allin Towbars

Family Business Ambassadors



Ken Hall
Ken Hall Plumbers



Lowen Partridge
Peartree Brand Strategy



Evelyn Pollard
Evelyn Pollard Consulting



Chris Graves
The University of
Adelaide



Lea Boyce
BOYCE Family Office



Lydia Dales
Access Solutions



Matt Nichol
Matthews Australasia



Justin McCartney
PKF



Elizabeth Guerra-stolfa
Rigby Cooke Lawyers



Rona Biernat
Freedom Pools and Spas



Mauri Mucciacciaro
Grant Thornton Australia



John Broons
John Broons Advisory

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Life Members

David Smorgon, Generation Investments Pty Ltd, VIC

Ray Mitchell, Mitchell Holdings, SA

Pat Finnimore, QLD

Ken Roche, Roche Holdings Pty Ltd, VIC

Des Tobin, Killaghy Publishing, VIC

Ken Moores, Moores Family Enterprise, QLD

Steve Samson, Bustle Supply Pty Ltd, WA

Mac Hay, Hannomar Pty Ltd, VIC

Janice Taylor, Taylor Bros. Holdings Pty Ltd, TAS

Chris Johnston, Chris Johnston Pty Ltd, SA

Alister Haigh, Haighs Pty Ltd, SA

Andy Kennard, Keneco Property Pty Ltd, NSW

Chairman's Awards

2018

Garry Beard, A.H. Beard, NSW

Lowen Partridge, Peartree Brand Strategy, SA

Andrew Mostyn, Craig Mostyn Group, WA

2017

Steve Samson, Bustle Supply Pty Ltd, WA

Mac Hay, Hannomar Pty Ltd, VIC

2012

David Green, Deloitte Private, NSW

Ray Michell, Michell Holdings, SA

Jill Thomas, Adelaide University, SA

2011

Janice Taylor, Taylor Bros. Holdings Pty Ltd, TAS

Chris Johnston, Chris Johnston Pty Ltd, SA

Ken Moores, Moores Family Enterprise, QLD

FAMILY BUSINESS AWARDS

Distinguished Family Business of the Year

Seeley International, SA

Next Generation Achiever

Amie Lyone, COS, NSW

Accredited Advisor Award

John Broons, WA

FBA Life Membership Award

Jill Thomas, SA

FBA Chairman's Awards

Angela Cilliberto, C- Direct

Graham Henderson, Mitchell Laminates

John McLean, Bundaberg Brewed Drinks

Bill Noye, KPMG

HALL OF FAME

New South Wales and Australia Capital Territory

Ella Bache
TrendPac

Queensland

Matthews Real Estate

South Australia and Northern Territory

Bowhill Engineering

Victoria and Tasmania

Colorific
Matthews Australasia
Normark Landscapes

Western Australia

Linneys Jewellery



BRANDS OF FBANZ

Family Business Australia and New Zealand prides itself on the large suite of products and services offered to its membership. Each service offering taps into the unique advantages families have in business and are carefully curated to help family businesses transform and thrive across multiple generations.



Future Plan

FBANZ is dedicated to continuously creating added value for its members. Some short term objectives for the years ahead include:

- Raise FBANZ's brand profile and build awareness in the family business community. FBANZ will develop a strong brand underpinned by a clear value proposition and promise to prospective members.
- Partner with like-minded organisations to widen FBANZ's brand awareness and expand opportunities to attract new members.
- Seek to partner with 3rd party education providers to further enhance its education portfolio.
- Provide sustainability pathways for families in business.
- Identify and satisfy the learning needs of the NxG by exploring exchange and internship programs.
- Expand FBANZ's 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.
- Strengthen FBANZ's advisor network to offer families in business effective solutions to their challenges.
- Provide family business members with experiences that cannot be found elsewhere



Special Thanks to Our Partners

National Gold Partners



Gold Preferred Partner



National Silver Partner



National Banking Partner



Preferred Partner



Associate Partner



Alliance Partners



Associate Members



NSW Partner



QLD Partner



SA Partner



WA Gold Partner



WA Silver Partner



WA Bronze Partner



Academic Partner



National Media Partner



National PR Partner



National Education Partner



Family Business Australia Limited

ABN 61 083 076 000

Financial Statements

For the Year Ended 30 June 2020

Family Business Australia Limited

ABN 61 083 076 000

Contents

For the Year Ended 30 June 2020

	Page
Financial Statements	
Directors' Report	1
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	29
Auditor's Independence Declaration	30
Independent Audit Report	31

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2020

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 2020.

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

Director of Scarpa Imports

Responsibilities

Non-Executive Director

L Stringer

Experience

Director of Lawnswood Pty Ltd, Eastern Pets Pty Ltd, Family Pet Care Pty Ltd & Cooko Pty Ltd

Responsibilities

Non-Executive Director

J Thomas

Experience

Visiting Research Fellow University of Adelaide Business School

Responsibilities

Non-Executive Director

R Pantaleo

Experience

Director La Porchetta Pty Ltd, Director Moria Kelly Creating Hope Foundation, Director Franchise Council of Australia Ltd

Responsibilities

Non-Executive Director

D Robertson

Experience

Director of Danielle Robertson Consulting Pty Ltd t/as DR Care Solutions

Responsibilities

Non-Executive Director

G Henderson

Experience

Director of Mitchell Laminates Pty Ltd, Mitchell Plastics Pty Ltd

Responsibilities

Non-Executive Director

G Wymond

Experience

Director of Eye Right Optical

Responsibilities

Alternate Non-Executive Director to Sara Pantaleo

L Boyce

Experience

Boyce Family Office Pty Ltd, Boyce & Boyce Chartered Accountants Pty Ltd, Digital Lynchpun Pty Ltd

Responsibilities

Alternate Non-Executive Director to Sara Pantaleo

J O'Reilly

Experience

Director of Lamington Management Services

Responsibilities

Non-Executive Director

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2020

1. General information

Information on directors

M Mercuri

Experience

Company Secretary of Ennio International

Responsibilities

Non-Executive Director

Z Detmold

Experience

Director of Detmold Group

Responsibilities

Alternate Non-Executive Director to Mary Mercuri

J Ash

Experience

Director Filter Supplies (W.A) Pty Ltd

Responsibilities

Non-Executive Director

K Matthews

Experience

Matthews Steer 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	-	-	3	3
L Stringer	1	1	-	-	-	-	-	-
J Thomas	4	3	-	-	4	4	-	-
R Pantaleo	4	2	-	-	-	-	-	-
D Robertson	4	3	-	-	-	-	-	-
G Henderson	1	1	1	1	-	-	-	-
G Wymond	1	1	-	-	-	-	-	-
L Boyce	1	1	-	-	-	-	-	-
J O'Reilly	4	4	-	-	-	-	-	-
M Mercuri	4	4	-	-	-	-	-	-
Z Detmold	-	-	-	-	-	-	-	-
J Ash	3	3	-	-	-	-	3	3
K Matthews	3	3	3	3	-	-	-	-

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.

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2020

1. General information

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.
- 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 2020 the collective liability of members was \$4,546 (2019:\$4,376).

Family Business Australia Limited

ABN 61 083 076 000

Directors' Report

30 June 2020

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 2020 has been received and can be found on page 30 of the financial report.

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



Director:

K Matthews



Director:

M Kagan

Dated this .27th day of October 2020

Family Business Australia Limited

ABN 61 083 076 000

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
Revenue	5	3,012,347	3,014,631	2,982,235	3,014,631
Cost of functions and events		(1,100,629)	(1,310,643)	(1,092,696)	(1,310,138)
Gross Surplus		1,911,718	1,703,988	1,889,539	1,704,493
Expenses					
Accounting and audit		(13,730)	(5,600)	(13,730)	(5,600)
Bad debts		(7,649)	-	(7,649)	-
Consulting		(30,912)	-	(30,912)	-
Depreciation and amortisation expense		(95,631)	(33,145)	(95,631)	(33,145)
Education		(2,354)	(1,766)	(2,354)	(1,766)
Employee benefits expense		(1,367,475)	(1,319,511)	(1,287,949)	(1,319,511)
Finance costs		(12,895)	(2,205)	(7,910)	(2,205)
Marketing		(32,721)	(44,129)	(30,165)	(43,412)
Other expenses		(165,744)	(90,613)	(163,710)	(85,218)
Printing, postage and stationery		(23,399)	(32,246)	(21,405)	(31,534)
Rent		(8,250)	(62,870)	(8,250)	(62,870)
Telephone		(23,539)	(25,372)	(22,541)	(25,372)
Travel		(98,120)	(92,704)	(90,450)	(88,755)
		(1,882,419)	(1,710,161)	(1,782,656)	(1,699,388)
Profit/(loss) before income tax		29,299	(6,173)	106,883	5,105
Income tax expense		-	-	-	-
Profit/(loss) for the year		29,299	(6,173)	106,883	5,105
Other comprehensive income, net of income tax					
Exchange differences on translating foreign controlled entities		1,025	(213)	-	-
Other comprehensive income for the year, net of tax		1,025	(213)	-	-
Total comprehensive income for the year		30,324	(6,386)	106,883	5,105
Profit/(loss) attributable to:					
Members of the parent entity		29,299	(6,173)	106,883	5,105

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Family Business Australia Limited

ABN 61 083 076 000

Statement of Financial Position As At 30 June 2020

	Note	Consolidated		Parent	
		2020	2019	2020	2019
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	872,026	772,767	868,038	772,757
Trade and other receivables	7	269,451	521,645	269,359	521,645
Other financial assets	8	285,291	497,603	285,291	497,603
Loans and advances	11	-	-	25,000	-
TOTAL CURRENT ASSETS		1,426,768	1,792,015	1,447,688	1,792,005
NON-CURRENT ASSETS					
Investments in subsidiaries	9	-	-	10	10
Loans and advances	11	-	-	50,679	13,129
Property, plant and equipment	12	34,143	63,325	34,143	63,325
Right-of-use assets	10	89,213	-	89,213	-
TOTAL NON-CURRENT ASSETS		123,356	63,325	174,045	76,464
TOTAL ASSETS		1,550,124	1,855,340	1,621,733	1,868,469
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13	179,230	198,731	177,094	200,369
Lease liabilities	10	59,729	-	59,729	-
Employee benefits	14	56,692	60,192	56,692	60,192
Other financial liabilities	15	872,487	1,291,040	858,182	1,291,040
TOTAL CURRENT LIABILITIES		1,168,138	1,549,963	1,151,697	1,551,601
NON-CURRENT LIABILITIES					
Lease liabilities	10	26,285	-	26,285	-
Employee benefits	14	26,243	6,243	26,243	6,243
TOTAL NON-CURRENT LIABILITIES		52,528	6,243	52,528	6,243
TOTAL LIABILITIES		1,220,666	1,556,206	1,204,225	1,557,844
NET ASSETS		329,458	299,134	417,508	310,625
EQUITY					
Reserves	16	812	(213)	-	-
Retained earnings	17	328,646	299,347	417,508	310,625
TOTAL EQUITY		329,458	299,134	417,508	310,625

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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 2020

2020

	Retained Earnings	Consolidated Foreign Currency Translation Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	299,347	(213)	299,134
Profit/(loss) attributable to members of the parent entity	29,299	-	29,299
Transactions with owners in their capacity as owners			
Exchange differences on translating foreign controlled entities	-	1,025	1,025
Balance at 30 June 2020	328,646	812	329,458

2019

	Retained Earnings	Consolidated Foreign Currency Translation Reserve	Total
	\$	\$	\$
Balance at 1 July 2018	305,520	-	305,520
Profit/(loss) attributable to members of the parent entity	(6,173)	-	(6,173)
Transactions with owners in their capacity as owners			
Exchange differences on translating foreign controlled entities	-	(213)	(213)
Balance at 30 June 2019	299,347	(213)	299,134

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 2020

2020

	Parent	
	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	310,625	310,625
Profit/(loss) attributable to members of the parent entity	106,883	106,883
Transactions with owners in their capacity as owners		
Balance at 30 June 2020	417,508	417,508

2019

	Parent	
	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	305,520	305,520
Profit/(loss) attributable to members of the parent entity	5,105	5,105
Transactions with owners in their capacity as owners		
Balance at 30 June 2019	310,625	310,625

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Family Business Australia Limited

ABN 61 083 076 000

Statement of Cash Flows For the Year Ended 30 June 2020

Note	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	3,066,714	3,139,664	3,016,026	3,223,296
Payments to suppliers and employees	(3,107,736)	(3,443,932)	(3,003,461)	(3,520,354)
Interest received	10,513	12,755	10,513	12,755
Interest paid	(8,048)	(2,205)	(3,063)	(2,205)
Interest paid on lease liabilities	(4,847)	-	(4,847)	-
Net cash provided by/(used in) operating activities	23 (43,404)	(293,718)	15,168	(286,508)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(3,475)	(11,068)	(3,475)	(11,068)
Payment of subsidiary, net of cash acquired	-	-	-	(10)
Purchase of financial assets	-	(223,060)	-	(223,060)
Proceeds from sale of financial assets	212,312	-	212,312	-
Loans to subsidiary- payments made	-	-	(62,550)	(7,210)
Net cash provided by/(used in) investing activities	208,837	(234,128)	146,287	(241,348)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payment of lease liabilities	(66,174)	-	(66,174)	-
Net cash provided by/(used in) financing activities	(66,174)	-	(66,174)	-
Net increase/(decrease) in cash and cash equivalents held	99,259	(527,846)	95,281	(527,856)
Cash and cash equivalents at beginning of year	772,767	1,300,613	772,757	1,300,613
Cash and cash equivalents at end of financial year	6 872,026	772,767	868,038	772,757

The Group has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

The accompanying notes form part of these financial statements.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Family Business Australia Limited (FBA) and its controlled entities ('the Group'). Family Business Australia Limited is a for-profit proprietary 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.

During the year FBA incorporated Family Business NZ (FBNZ) in New Zealand. The consolidated comparatives represent the following:

- Family Business Australia Limited 12 months period from 1 July 2018 to 30 June 2019.
- Family Business New Zealand Limited 3 months period from 1 April 2019 to 30 June 2019.

1 Basis of Preparation

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

These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board.

2 Change in Accounting Policy

Leases - Adoption of AASB 16

The Group has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

The Group as a lessee

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Group has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Group has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Impact of adoption of AASB 16

- lease liabilities have been discounted using the Group's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Group has recognised right-of-use assets of \$152,187 and lease liabilities of \$152,187 at 1 July 2019, for leases previously classified as operating leases.

Revenue from Contracts with Customers - Adoption of AASB 15

The Group has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Group has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019. The Group has determined that the adoption of AASB 15 has no impact on the financial statements at 1 July 2019.

3 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.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Basis for consolidation

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 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.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Revenue and other income

(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.

(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.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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)
- 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.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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.

Fair value through other comprehensive income

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:

- 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.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial liabilities

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

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

For current year

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(h) Leases

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;

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 2020, 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 2 for details of the changes due to standards adopted.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(I) 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.

4 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(h), 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.

5 Revenue

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Revenue				
- sponsorship	306,359	313,171	306,359	313,171
- membership fees	646,447	623,461	632,184	623,461
- function/events	1,877,546	2,065,243	1,868,362	2,065,243
- interest received	10,513	12,756	10,513	12,756
- other income	171,482	-	164,817	-
	3,012,347	3,014,631	2,982,235	3,014,631

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

6 Cash and Cash Equivalents

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cash on hand	660	510	650	500
Cash at bank	871,366	772,257	867,388	772,257
	872,026	772,767	868,038	772,757

7 Trade and Other Receivables

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Trade receivables	107,680	289,005	107,588	289,005
Provision for impairment	(4,275)	(4,275)	(4,275)	(4,275)
	103,405	284,730	103,313	284,730
Security deposit	12,542	12,541	12,542	12,541
Prepayments	118,038	223,493	118,038	223,493
Other receivables	35,466	881	35,466	881
Total current trade and other receivables	269,451	521,645	269,359	521,645

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	
	2020	2019	2020	2019
	\$	\$	\$	\$
Balance at beginning of the year	(4,275)	(4,275)	(4,275)	4,275
Balance at end of the year	(4,275)	(4,275)	(4,275)	4,275

8 Other Financial Assets

Financial assets at fair value through profit or loss

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Other financial assets	285,291	497,603	285,291	497,603
	285,291	497,603	285,291	497,603

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

9 Investments in subsidiaries

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Investments in Family Business NZ	-	-	10	10
	-	-	10	10

10 Leases

The Group has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

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 Group leases land and building for their corporate office and parking spaces with lease term of 5 years with an extension of 1 year ending on 30 November 2021.

Right-of-use assets

	Buildings	Total
	\$	\$
Parent		
Year ended 30 June 2020		
Balance at beginning of year	152,187	152,187
Depreciation charge	(62,974)	(62,974)
Balance at end of year	89,213	89,213
	Buildings	Total
	\$	\$
Consolidated		
Year ended 30 June 2020		
Balance at beginning of year	152,187	152,187
Depreciation charge	(62,974)	(62,974)
Balance at end of year	89,213	89,213

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

10 Leases

Lease liabilities

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

	Consolidated				
	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2020					
Lease liabilities	59,729	26,285	-	86,014	86,014

	Parent				
	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2020					
Lease liabilities	59,729	26,285	-	86,014	86,014

Extension options

The building lease contains extension options which allow the Company to extend the lease term for a further 5 year period. The company has taken up an extension for 1 year from 1 December 2020 to 30 November 2021.

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	
	2020	2019	2020	2019
	\$	\$	\$	\$
Interest expense on lease liabilities	(4,847)	-	(4,847)	-
Depreciation of right-of-use assets	(62,974)	-	(62,974)	-
	(67,821)	-	(67,821)	-

Statement of Cash Flows

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Total cash outflow for leases	66,173	-	66,173	-

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

11 Loans and Advances

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Loans to subsidiary	-	-	25,000	-
	-	-	25,000	-
	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
NON-CURRENT				
Loans to subsidiary	-	-	50,679	13,129
	-	-	50,679	13,129

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 repayments of \$25,000 per annum are to be made from July 2020 with the final payment of amount outstanding on 30 June 2022.

12 Property, plant and equipment

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Plant and equipment				
At cost	78,990	78,990	78,990	78,990
Accumulated depreciation	(64,603)	(51,841)	(64,603)	(51,841)
Total plant and equipment	14,387	27,149	14,387	27,149
Computer equipment and software				
At cost	307,716	304,241	307,716	304,241
Accumulated depreciation	(287,960)	(268,065)	(287,960)	(268,065)
Total computer equipment	19,756	36,176	19,756	36,176
Leasehold Improvements				
At cost	22,678	22,678	22,678	22,678
Accumulated amortisation	(22,678)	(22,678)	(22,678)	(22,678)
Total leasehold improvements	-	-	-	-
Total property, plant and equipment	34,143	63,325	34,143	63,325

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

12 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	Leasehold Improvements	Total
Parent	\$	\$	\$	\$
Year ended 30 June 2020				
Balance at the beginning of year	27,149	36,176	-	63,325
Additions	-	3,475	-	3,475
Depreciation expense	(12,762)	(19,895)	-	(32,657)
Balance at the end of the year	14,387	19,756	-	34,143
Parent	\$	\$	\$	\$
Year ended 30 June 2019				
Balance at beginning of the year	32,065	53,337	-	85,402
Additions	7,181	3,887	-	11,068
Depreciation expense	(12,097)	(21,048)	-	(33,145)
Balance at the end of the year	27,149	36,176	-	63,325
Consolidated	\$	\$	\$	\$
Year ended 30 June 2020				
Balance at the beginning of year	27,149	36,176	-	63,325
Additions	-	3,475	-	3,475
Depreciation expense	(12,762)	(19,895)	-	(32,657)
Balance at the end of the year	14,387	19,756	-	34,143
Consolidated	\$	\$	\$	\$
Year ended 30 June 2019				
Balance at the beginning of year	32,065	53,337	-	85,402
Additions	7,181	3,887	-	11,068
Depreciation expense	(12,097)	(21,048)	-	(33,145)
Balance at the end of the year	27,149	36,176	-	63,325

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

13 Trade and Other Payables

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Trade payables	59,376	50,448	59,376	50,448
GST payable	57,428	21,490	58,467	23,126
Other payables and accruals	62,426	126,793	59,251	126,795
	179,230	198,731	177,094	200,369

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.

14 Employee Benefits

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Current liabilities				
Annual leave	56,692	60,192	56,692	60,192
	56,692	60,192	56,692	60,192
Non-current liabilities				
Long service leave	26,243	6,243	26,243	6,243
	26,243	6,243	26,243	6,243

15 Other Financial Liabilities

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
CURRENT				
Deferred income	872,487	1,291,040	858,182	1,291,040
	872,487	1,291,040	858,182	1,291,040

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

16 Reserves

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Foreign currency translation reserve				
Opening balance	(213)	-	-	-
Other movements	1,025	(213)	-	-
	812	(213)	-	-

(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.

17 Retained Earnings

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	299,347	305,520	310,625	305,520
Net profit/(loss) for the year	29,299	(6,173)	106,883	5,105
Retained earnings at end of the financial year	328,646	299,347	417,508	310,625

18 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

18 Financial Risk Management

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Lease liabilities

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial assets				
Held at amortised cost				
Cash and cash equivalents	872,026	772,767	868,038	772,757
Loans and advances	-	-	75,679	13,129
Trade and other receivables	269,452	521,646	269,359	521,645
Fair value through profit or loss (FVTPL)	285,291	497,603	285,291	497,603
Total financial assets	1,426,769	1,792,016	1,498,367	1,805,134
Financial liabilities				
Financial liabilities at amortised cost	179,230	198,732	177,095	200,369
Total financial liabilities	179,230	198,732	177,095	200,369

19 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:

	2020	2019
	\$	\$
Aggregate compensation	963,215	1,041,048
	963,215	1,041,048

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

20 Auditors' Remuneration

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Remuneration of the auditor [rdl.accountants] for:				
- auditing the financial statements	8,800	8,500	8,800	8,500
- general consulting	4,100	-	4,100	-
Total	12,900	8,500	12,900	8,500

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

22 Related Parties

(a) Key management personnel

Key management personnel - refer to Note 19.

(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 11. There are no other loans to/from related parties.

Family Business Australia Limited

ABN 61 083 076 000

Notes to the Financial Statements For the Year Ended 30 June 2020

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	Consolidated		Parent	
	2020	2019	2020	2019
	\$	\$	\$	\$
Profit/(loss) for the year	29,299	(6,173)	106,883	5,105
Cash flows excluded from profit/(loss) attributable to operating activities				
Non-cash flows in profit:				
- foreign currency differences	1,025	(213)	-	-
- depreciation and amortisation	95,631	33,145	95,631	33,145
Changes in assets and liabilities:				
- (increase)/decrease in trade and other receivables	252,195	(82,125)	252,288	(76,268)
- increase/(decrease) in trade and other payables	(19,500)	(184,944)	(23,273)	(195,082)
- increase/(decrease) in other liabilities	(418,554)	(37,228)	(432,861)	(37,228)
- increase/(decrease) in provisions	16,500	(16,180)	16,500	(16,180)
Cash flows from operations	<u>(43,404)</u>	<u>(293,718)</u>	<u>15,168</u>	<u>(286,508)</u>

24 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.

25 COVID-19

The COVID-19 pandemic has resulted in substantial measures instigated by Government in order to limit the spread of the virus. These measures have had a significant impact on the Australian economy, and are likely to do so for some time to come. At this stage, it is impossible to accurately estimate the financial effect that the 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 off-set this planned revenue reduction. In addition, the company has received government support through the JobKeeper program and other federal and state government packages. 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.

26 Statutory Information

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

Family Business Australia Limited
Suite 3, 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 2020 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 27th October 2020

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 2020 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
rdl.accountants

27 October 2020
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 2020, 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 2020 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 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.

A handwritten signature in black ink, appearing to read 'Matthew Hung', with a stylized flourish at the end.

Matthew Hung, CA
rdl.accountants

27th October 2020
Blackburn, Victoria

A: AUS OFFICE
Suite 3, Level 5
24 Albert Road
South Mebourne
VIC 3205

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PO Box 818
Nelson
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