

FINSIA



ANNUAL  
REPORT  
2020





## 1 // INTRODUCTION

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FROM THE AUSTRALIAN BUSHFIRES TO COVID-19, BLACK LIVES MATTER, AND THE U.S ELECTION, 2020 WAS A TUMULTUOUS YEAR OF CHANGE FOR EVERYONE.

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FINSIA'S FOCUS, HOWEVER REMAINED UNCHANGED - SUPPORTING AN ENGAGED PURPOSE-DRIVEN PROFESSIONAL COMMUNITY WHO ADVOCATE FOR RAISING STANDARDS OF PROFESSIONALISM ACROSS THE INDUSTRY.

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# 1



## 2 // **FY20** PRESIDENTS REPORT



**FINISA'S PURPOSE OF RESTORING TRUST THROUGH RAISING STANDARDS OF PROFESSIONALISM** IS KEY TO BUILDING A SUSTAINABLE AND TRUSTWORTHY FINANCIAL SERVICES INDUSTRY.

A handwritten signature in black ink, which appears to read "Victoria Weekes".

VICTORIA WEEKES,  
Chartered Banker SF FIN BCOMM LLB FAICD  
**PRESIDENT**

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## 2 // FY20 PRESIDENTS REPORT

In my first President report for FINSIA last year, I mentioned that it was impossible to do without looking through a COVID-19 lens and at the uncertainty and the economic challenges it brings to our industry.

Fast forward twelve months and I would go even further and say without a doubt that 2020 will go down in history as one of the most unprecedented and challenging years of modern times. From the Australian bushfires to COVID-19, Black Lives Matter, and the U.S election, it has been a tumultuous year of change for everyone.

It is fair to say that we are now living in 'unprecedented times', hearing constantly that we need to 'adapt' and 'pivot' to the 'new normal'.

We are experiencing the impact these unexpected global issues are having on business, our industry and how institutions, regulators, and government are dramatically changing and working together to ensure a sustainable industry and economy. I am extremely proud of how FINSIA has responded to these impacts and effectively pivoted to support its staff, members, and partnerships to transition to and work in this 'new normal'.

While 2020 brought unforeseen challenges, it has also provided us with some learnings and positive changes, highlighting different leadership qualities.

As we transitioned into COVID, FINSIA leadership deliberately focused on prioritising employee wellbeing and mental health in implementing changes in how and when we work, and ensuring we continued to engage with our members and adapt to deliver those services most important to our members, and in a way that worked for them.

As Chris' CEO Report details, we were able to reskill, upskill and increase our people resources ensuring we had the right technical and professional capability to deliver more complex, more specialised projects to support industry professionalism. I believe this has allowed FINSIA to deliver better on its purpose - to support the highest levels of professionalism in banking and financial services to help drive cultural change.

This is evident with the number of enrolments in FINSIA professional qualifications, which moved from hundreds to thousands in 2020 and growing industry wide support. As well, organisations across the financial services sector, including many major banks, have now piloted FINSIA

programs and pleasingly we have seen hundreds of graduates become part of the FINSIA G-FIN community.

Reflecting my personal commitment to professionalism as FINSIA's President, during 2020 I completed FINSIA's Chartered Banker by Experience qualification. I can unreservedly endorse the challenge and the value of the program, which reminded me of the enduring benefit of such programs at any stage in one's career. I commend other leaders in the sector to consider undertaking the program.

With the strong foundations established in 2020, I believe we are heading out of COVID with the right strategy and an expanded and ambitious program for 2021. Continuing to develop our important industry partnerships, with Chartered Banker Institute and others, is vital to FINSIA's heritage of excellence in professionalism for practitioners across the financial services sector. This is particularly so for our members with Securities Institute qualifications which remain highly recognised and relevant to the industry today.

FINSIA's ongoing focus remained unchanged in 2020, promoting and supporting an engaged purpose-driven professional community who conduct

themselves according to the highest ethical standards and advocate for professionalism across the industry.

Through 2020 FINSIA sought to improve and build on our member offering connecting them with leading relevant, timely content, and high calibre speakers, and focussing on increasing the diversity of our speakers and the diversity of topics, recognising the changing needs of our members during 2020 and COVID. FINSIA also shifted our delivery platforms from major face to face events to virtual events enabling access by a much broader audience in Australasia and overseas, and an enhanced presenter profile. Similarly, the shift to virtual delivery enabled continuation of the important work undertaken by our Working Groups, Councils and Committees as well as the Board.

Consistent with the theme of 2020 being a year of firsts, for the first time in the history of FINSIA our May Annual General Meeting was held virtually on Zoom. Like many things in 2020, it delivered an unexpected benefit being the most attended FINSIA AGM in history as we Zoomed in our members from around Australasia, and the world, to the meeting.

We have continued our focus on industry-wide dialogue with key



## 2 // **FY20** PRESIDENTS REPORT

stakeholders, our members, and practitioners regarding how financial services professionals - like health, law, and other recognised professions - need to serve a vital social purpose, and how our customers depend on quality services, which are in their best interests.

Those shaping the regulatory framework in financial services regularly talk to us about the need for cultural reform; why fostering an environment of trust, integrity and professionalism leads to greater confidence, ultimately strengthening reputation in the market.

There is broad agreement that if effectively instituted, professional & ethical standards for individual accountability, deliver enormous social and economic benefits to the industry.

And with this drive there seems to be a growing understanding across the industry that to build strong foundations for the future, raising professional standards must be a key component for financial services and part of the regulatory landscape. This is central to what FINSIA stands for and the role we, and our members, play in the industry.

This is why a key part in FINSIA's strategy is the development industry-wide professional standards for individual

practitioners operating in the financial services sector. FINSIA believes that professional standards written specifically for the individual practitioner will fill a gap in the various industry codes and standards, by providing a practical guide to help individual practitioners meet the ethical behaviours and conduct expected of them.

The response so far has been pleasing and I look forward to hearing further feedback from our members, industry-wide practitioners together with key stakeholders through the consultation process. It is important that the standards reflect contemporary best practice and have strong practitioner as well as industry buy-in for them to be effective.

The FINSIA Board acknowledges we need to progress our purpose-driven efforts in 2020 to achieve that vision for our members and we seek your ongoing support as professionalism advocates for FINSIA's role in embedding professionalism into the core foundations of our industry onto the future.

The Board also remain very much focused on continued improvement of our financial sustainability by investing in new technology and in our people's professional capability, at the same time as maintaining strong cost disciplines.

We are adopting a practical approach to investment in our member value proposition providing quality professional educational programs, CPD and developing industry-wide professional standards across the industry.

I would like to thank all our Councils working with us through such an ever-changing year - the Regional and Industry Councils, the Young Finance Professionals, and the Diversity Advisory Council - and our Qualifications Working Groups for the tremendous work they do from advocacy to mentoring, events, education, standards and much more.

I would also like to extend my warmest thanks to my fellow Board members for their dedication in guiding FINSIA through a fast-paced unprecedented year of change. During 2020, as we farewelled former President David Gall from the FINSIA Board, we welcomed David Cox, PWC Partner, a long time FINSIA member actively engaged in our Councils over the years. David Stephen, Westpac Chief Risk Officer, unfortunately stepped down from the Board last year due to other commitments and we thank him for his significant contribution. I would also like to acknowledge the appointment of Grant Cairns F FIN (Commonwealth Bank of Australia Executive General Manager, Regional and Agribusiness

Banking) to Vice President of the FINSIA Board in April 2020, reflecting his important contribution to FINSIA.

Of course, very special thanks must go to Chris, his leadership team and all the FINSIA staff for their incredible commitment, hard work and agility in continuing to deliver against our strategic plan despite the challenges and changed environment we all faced in 2020. No doubt 2021 will be another exciting year for FINSIA and I believe we have the delivery model to make it a success for FINSIA and our members.

Finally, I would like to welcome all those new members who joined FINSIA in 2020, and those who chose FINSIA to support them on their professionalism journey. I would also like to thank all our continuing members for your ongoing loyalty, commitment, and belief in FINSIA's purpose that restoring trust through raising standards of professionalism is key to building a sustainable and trustworthy financial services industry.

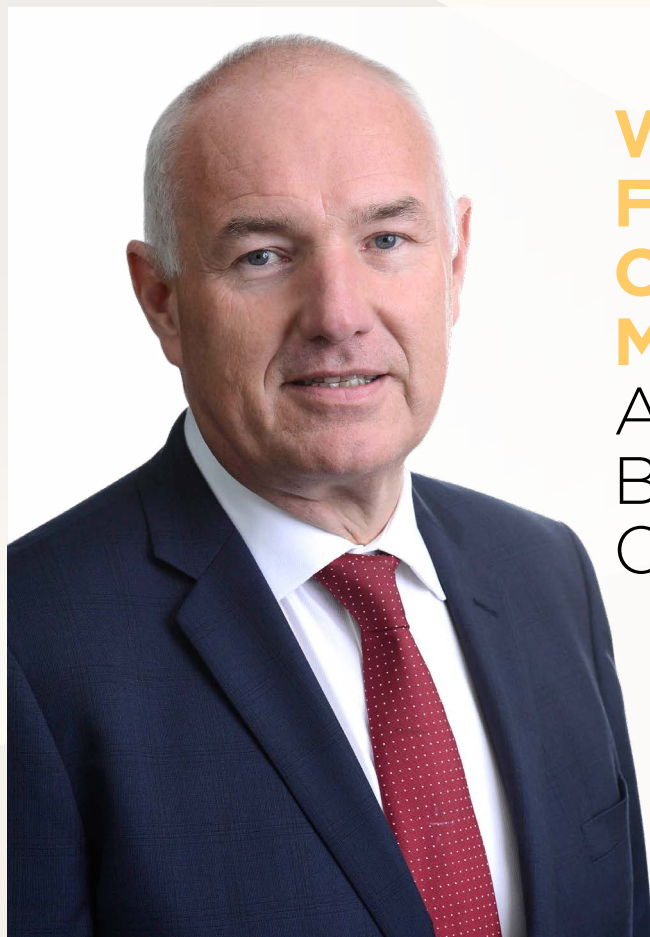
**VICTORIA WEEKES,**

Chartered Banker SF FIN BCOMM LLB FAICD

**PRESIDENT**



## 3 // CHIEF EXECUTIVE OFFICER'S REPORT



**WE ARE EXTREMELY GRATEFUL FOR THE COMMITMENT AND ONGOING SUPPORT FROM OUR MEMBERS AND INDUSTRY WHO ADVOCATE FOR OUR SHARED BELIEF IN DRIVING HIGHER LEVELS OF PROFESSIONALISM.**

A handwritten signature in black ink that reads "Chris Whitehead".

Christopher Whitehead  
Chartered Banker F FIN BSC FAICD  
**Chief Executive Officer and Managing Director**

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## 3 // CHIEF EXECUTIVE OFFICER'S REPORT

My report echoes the same sentiment of our President's given the events both in Australia and globally causing the unexpected fast-paced changes we experienced in 2020 and the uncertainty it created for businesses, the industry, and the economy which continues.

2020 was indeed a game changing year with the financial services landscape now looking fundamentally different to 12 months ago, let alone ten years ago. Rapid digital transformation, the increasing urgency of climate change, increased cybercrime, evolving customer expectations, access to superannuation, banks acting as the shock absorbers of the economy, government intervention, and new entrants into the sector - all disruptive forces, but the outbreak of COVID-19 accelerated that speed of change and made 2020 look like no other.

I am extremely proud of our people and members who were able to adapt quickly to the changes that were happening and fundamentally changed our perspective on what was possible. While we acknowledge the health and economic impacts of COVID-19, the challenges have also created opportunities to accelerate our transformation plans.

In 2020 we continued to invest heavily, in our people, in education services

and in technology, recognising that we must keep up with accelerating digital trends. Despite these investments our financial result is much improved from 2019, as a result of significant growth in education revenues and despite lower returns on our investments. However, the bottom line is still a deficit and achieving a sustainable position requires us to maintain cost disciplines whilst growing revenue. We expect an increasing contribution from education and, with new graduates from these programs, also growth in membership - reversing the decline over many years driven by members retiring or leaving the industry.

We focused on putting in place the technology and systems needed to allow FINSIA staff to work remotely, effectively, and safely while ensuring FINSIA delivered its timely services and products to its members unchanged. We collaboratively shifted to a 100% digital environment to ensure our members continued to have access to quality content, and each other. This became the 'new normal' for the remainder of 2020 that looks to provide an enduring trend into 2021 and beyond to ensure our people can access FINSIA anytime, from anywhere, in the way that suits them.

We also increased our investment in IT service management, security and

resilience given our direct connectivity to employers to maintain HR information and provide access to our services from within the workplace.

In June last year, we completed a highly successful and award-winning upgrade to our website. The new FINSIA website is our main access and communication channel for members, employers, and a range of other important stakeholders. It connects to our ever-popular social media platforms - LinkedIn now having over 11,500 followers with a 90% increased engagement score. Its new features and functionalities and more intuitive interface, making a valuable contribution to the look and feel of FINSIA's professional brand.

We made changes to the way we are structured to better meet the needs of our key stakeholders. Members remain our core focus, served by our Member Services team. With the introduction of professional qualifications and standards we also make an important contribution to the industry served by our new Employer Services team to support business leaders and in particular partner with people and risk functions.

In June 2020 FINSIA was pleased to announce the agreement with NAB and BNZ to provide our internationally recognised professional banking

education to every employee. It was a game changing decision by a major financial services organisation to partner with FINSIA, enrolling 34,000 employees on its Career Qualified in Banking (CQIB) pathway. This commitment gained significant media and industry attention highlighting the potential for the other major banks and remainder of the sector to get onboard and create industry-wide professional educational standard and momentum.

We have also seen the highly successful recent entrant Judo Bank set a prerequisite for all its staff gaining FINSIA qualifications - proof there is a strong business as well as community and practitioner benefit in raising professional standards in financial services.

Moving into 2021 we now have over 5,000 enrolled in the Professional Banking Fundamentals course. I am sure we will continue to see that number grow quickly as 2021 progresses, with broader programs being introduced into the FINSIA professional education pathway. FINSIA will the launch of our first ever qualification specifically for New Zealand, enabling FINSIA to expand its reach and attract new members to the FINSIA professional community.

More recently we have enrolled



## 3 // CHIEF EXECUTIVE OFFICER'S REPORT

cohorts from key service providers to the industry including IT and business consulting organisations.

We will further enhance our education offerings in 2021 by launching the complete suite of modules for the Chartered Banker study program developed for the Australian market. Anyone seeking a career in banking should aspire to be a Chartered Banker - whether their goal is technical excellence or functional leadership in areas such as customer service, corporate finance, risk management or product and services design.

With the increasing interest in managing climate-change risks and supporting a low-carbon economy we have had growing demand for the Green Finance Certificate we offer through our ongoing partnerships with the Chartered Banker Institute and Chartered Institute of Securities and Investments.

We are committed to expanding our educational offerings in the securities sector. We have seen particular interest and increased uptake in our combatting cybercrime, fintech, and AI courses which we offer through our international partnerships. We are now working with our industry councils, in particular Funds and Assets Management and Financial Advice and Services to identify further

gaps in education and professional development that FINSIA can help to close.

We will also continue to work with our international partners to share best practices, industry developments and to improve our learning programs.

We made sure we stayed connected to our members during COVID-19 in Australia, New Zealand and internationally by delivering an extensive range of online and virtual CPD including events via timely and informative webinars, all highly rated by our members. Each webinar became a source of online learning through our webinar on-demand service delivered by our new and enhanced FINSIA website. We will continue to make further enhancements to how we engage and increase our CPD offerings to our members, increasing the delivery of an interactive suite of podcasts, online videos, and webinars.

During 2020 we had a busy event schedule predominantly delivered digitally together with our publications. Overall, we had 11 face to face events and 50 webinars all complimentary for members, and a total of 14,228 registered attendees.

The most popular event in 2020 was 'The Regulators'. Held via a webinar and hosted by our President, Victoria

Weekes, the timely event chose FINSIA to reveal to practitioners how the regulators were updating their priorities in light of COVID-19. With over 1160 attendees, this was the most watched event of the year and resulted in extensive coverage across all types of media.

As we enter 2021, the development of industry wide professional standards for practitioners is an ambitious and critical new FINSIA program. It complements the development of competencies through FINSIA's professional qualifications with specific guidance on the expected ethical professional conduct of practitioners. To inform this process FINSIA has reviewed a broad range of codes and standards from the sector, both Australian and international. Retail and business banking represents the first industry segment we have tackled in the development of consistent professional standards, with the invaluable guidance of our Retail and Business Banking Industry Council.

Together with our President, I am encouraged by the feedback we have received so far on the development on these industry professional standards from key stakeholders such as regulators, industry bodies, institutions, and you, our members, through the consultation process. Feedback from our members has indicated very strong

support for voluntary adoption of the standards and near unanimous support for an industry-wide commitment.

We encourage our members to personally engage in this important project for FINSIA and the industry. The retail and business banking standards are a first step and the professional standards FINSIA is developing will ultimately extend across banking and securities markets.

We are extremely grateful for the commitment and ongoing support from hundreds of our members who gave their time and insight to our professional community - playing a part in our important Councils and Committees, providing input into our submissions, taking part in webinars and workshops as well as continuing to advocate for our shared belief in driving higher levels of professionalism.

For your continued support, I would like to say thank you.

Christopher Whitehead  
Chartered Banker F FIN BSC FAICD  
**Chief Executive Officer and Managing Director**



# JOURNEY OF PROFESSIONALISM

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## 4 // JOURNEY OF PROFESSIONALISM

**NZ** In February 2020 New Zealand (NZ) hosted Geoff Bascand, Deputy Reserve Bank Governor NZ.

With COVID emerging the theme was the NZ economy was facing a real shortage of resources. Our members though highlighted that the NZ Ports were already running at reduced capacity from supply disruptions from China and that things could get difficult if COVID-19 became more intense.



**MEMBERSHIP LEGACY RENEWAL CAMPAIGN**

91% RENEWAL RATE TARGET REACHED

**MEMBERS ACQUIRED IN 2020** #255

### SUCCESSFUL & AWARD-WINNING UPGRADE TO THE FINSIA WEBSITE

THE NEW FINSIA WEBSITE IS OUR MAIN ACCESS AND COMMUNICATION CHANNEL FOR MEMBERS, EMPLOYERS, AND A RANGE OF OTHER IMPORTANT STAKEHOLDERS.

**MAY 2020 REGULATORS EVENT**

FINSIA mentioned 100 times

Potential News Reach of **64.4M**

UP BY **669%**

**JUN 2020 NAB ANNOUNCEMENT**

FINSIA mentioned 38 times

Potential News Reach of **3.54M**

UP BY **85%**

**OCT 2020 FINSIA**

FINSIA mentioned 41 times

Potential News Reach of **1.97M**

UP BY **41%**

### STAKEHOLDERS

**EVENTS** OVERALL MOVE TO 100% DIGITAL IN RESPONSE TO COVID 19 TO STAY ENGAGED AND CONNECTED TO OUR MEMBERS

**50 WEBINARS**

**11 FACE TO FACE EVENTS**

**14,228 REGISTERED ATTENDEES**

AVERAGE RATING OF **4.35 OUT OF 5**

**55% FEMALE** **45% MALE**

COMPLIMENTARY FOR MEMBERS



THE FUTURE OF FINANCE SERIES

The series is focused on global and future trends affecting the financial services industry with the aim of keeping finance professionals ahead of the game.

- ✓ 1003 registered members
- ✓ Global and future trends
- ✓ One of our top 5 member offerings



THE REGULATORS

Most watched event of the year and resulted in extensive coverage across all types of media with over 30 key journalists in attendance.

- ✓ 1,166 Attendees registered
- ✓ Most attended event in 2020
- ✓ Overall feedback **4.6 / 5**
- ✓ Victoria Weekes, FINSIA President hosted the webinar



ECONOMIC INDICATORS

- ✓ 12th year
- ✓ Close to 600 attendees
- ✓ Feedback **3.4 / 5**

## 4 // JOURNEY OF PROFESSIONALISM



# COUNCILS AND COMMITTEES

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## COUNCILS & COMMITTEES

// THANK YOU TO OUR **REGIONAL COUNCIL MEMBERS** FOR THEIR VALUABLE SUPPORT OF FINSIA AND ITS MEMBERS ACROSS AUSTRALASIA.

### NEW ZEALAND NATIONAL COUNCIL



**BERNARD MCCREA, SF FIN, CHAIR.**

In February 2020 the NZ Council hosted a members event with Geoff Bas-cand, Deputy Reserve Bank Governor. In November 2020 we hosted Geoff again and he was appreciative of our early warnings we were able to share with him in the beginning of the year regarding supply disruptions as a result of COVID related events.

I am pleased to see we now have NZ Council representation from 3 of the 4 big banks and, we are now represented on 3 of the 5 FINSIA Councils. Our goal is to get council representation from all the Big banks and add in smaller bank representation, including keeping our wider financial services representation.

I have enjoyed being the NZ Chair and being able to get our members messages heard at the highest levels, including making regulatory representations and making a difference.

#### COUNCIL MEMBERS

David Tripe	SF FIN	
Leon Grandy	SF FIN	
Phillip Meyer	F FIN	Deputy Chair
Bernard McCrea	SF FIN	Chair
Adam Ward	F FIN	
Ian Perera	F FIN	
Carolyn Kidd	F FIN	

### NEW SOUTH WALES REGIONAL COUNCIL



**NATHAN KRIEGER, F FIN, CHAIR.**

The NSW Regional Council is an important nexus between members and FINSIA. It serves to represent the NSW member community's interests and priorities. By sharing perspectives with FINSIA's team and executive, the council seek to contribute to the direction and delivery of initiatives that are of greatest value to members. I'm proud to have served as a member for the past 5 years, and now as the chair the NSW Regional Council, to work with a group who are committed to the continual evolution of financial services in

Australia and New Zealand.

#### COUNCIL MEMBERS

Kate McCallum	SF FIN	
Mark Lumsden	SA FIN	
Samantha Clarke	SA FIN	
Linda Maniaci	SF FIN	
Bettina Pidcock	F FIN	
Andrew Butler	SF FIN	
Mark Thomas	SF FIN	
Nathan Krieger	F FIN	Chair
Kathryn Illy	SA FIN	



## COUNCILS & COMMITTEES

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### QUEENSLAND REGIONAL COUNCIL



**PHILIP VICKERY F FIN, CHAIR.**

The key focus of the Queensland Regional Council is to promote and facilitate the continuation of a strong service offering for Queensland based FINSIA members, and to seek to generate additional value for Queensland FINSIA members through participation in FINSIA's professional development courses and programs and networking events. It is noteworthy that over 50 new Queensland based members have joined FINSIA in 2020 and that the renewal rate for Queensland members in 2020 was over 80%. Many thanks to all the Queensland Regional Councilors and Queensland YFP committee members for their great contribution to FINSIA in 2020, particularly Andrew Weeden from PwC who is standing down from the Council after 8 years of service.

#### COUNCIL MEMBERS

Joanne Dwyer	A FIN	Philip Vickery	F FIN	Chair
Andrew Weeden	SA FIN	Rachel Elfverson	SA FIN	
Peter Pontikis	SF FIN	Peta Tilse	SF FIN	
Kerry McGowan	SF FIN	Erin Strang	SA FIN	
Anne-Maree Keane	SF FIN	Veronica Kregor	SA FIN	
Christopher Bell	F FIN	Jeremy White	F FIN	Deputy Chair

### SOUTH AUSTRALIAN REGIONAL COUNCIL



**IDA WONG TAYLOR F FIN, CHAIR.**

The FINSIA SA/NT Council is proud to be comprised of a gender-balanced cross-section of industry leaders across retail banking, small business & commercial banking, legal, education, insurance, wealth management, financial planning, superannuation and investments.

The value of being Chair is to drive our joint Council focus to three strategic pillars, by way of working groups, to advocate and deliver programs involving: (1) qualifications; (2) events and membership, and (3) young finance professionals and mentoring.

#### COUNCIL MEMBERS

Todd Finney	F FIN	Joe Formichella	F FIN	
Kylie Allen	F FIN	Enza Ferraro		
Briony Mitchell	F FIN	Ida Wong Taylor	F FIN	Chair
Nicholas Karagiannis	F FIN	Benjamin Owen	SA FIN	
Lan Lam		Paul Hutchinson	F FIN	
John Montague	SF FIN	Sheridan Wright-Walkley	SA FIN	



## COUNCILS & COMMITTEES

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### VICTORIA REGIONAL COUNCIL



**STEVE DANIELS F FIN, CHAIR.**

I have been Chair of the FINSIA Regional Council for Victoria and Tasmania since late 2019, and a council member since 2017. Working for NAB, I was certainly proud of NAB's decision to make such a clear investment into the Professional Banking Fundamentals, and I am equally proud to have added this award to my own qualifications.

Our council is fortunate to have a strong representation across the finance industry: banking, equities, funds management, accounting and education. Our prime focus is, and will always be, the advancement, promotion and advocacy of professionalism in the finance industry. The diversity and network of our council allows for excellent reach into our industry, giving fantastic access to industry commentators, company executives, and other thought experts, for member briefings, webinars and other events.

#### COUNCIL MEMBERS

Jim Christodouleas	F FIN	
Alex Lord	F FIN	
Mandy Rashleigh	SA FIN	
Mark Topy	SF FIN	
Paul Chin	SF FIN	
Sara Harman	SF FIN	
Phillip Dolan	SF FIN	
Robert Szyszko	F FIN	
Jeff Gattone	F FIN	
Stephen Daniels	F FIN	Chair
David Doyle	F FIN	
Zekija Glamocic	F FIN	

### WESTERN AUSTRALIA REGIONAL COUNCIL



**WAYDE KEYSER F FIN, CHAIR.**

The key focus for 2021 of the WA Regional Council is to deliver high quality client events for our members, and prospective members. We aim to do this by hosting events, ideally in collaboration with other industry bodies, with speakers who not only provide interesting insights but also tie in with FINSIA's broader goal of increasing professionalism within the Financial Services industry.

Whilst new to the role of Chair (and grateful that our outgoing Chair has remained on the council), it has been an enjoyable journey so far working alongside the immense talent on our council and meeting many inspiring members.

#### COUNCIL MEMBERS

Adrienne Oliveri	F FIN	
Timothy Sullivan	F FIN	
Ian O'Brien	F FIN	
Phillip Barker	F FIN	
Emma Wright	SA FIN	
Rohan Mishra	F FIN	Chair
Pauline Gazzard	A FIN	
Sinead Bannon	A FIN	
Allan Maitland	F FIN	
Brendon Kay	SA FIN	
Wayde Keyser	F FIN	Chair



## COUNCILS & COMMITTEES

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### FINANCIAL ADVICE AND SERVICES INDUSTRY COUNCIL



**VICKY AMPOULOS, SF FIN, CHAIR.**

The COVID-19 pandemic has reminded us how fragile and unpredictable life can be and the importance of access to good quality financial advice. The key focus of the Financial Advice and Services Council during 2020, was to provide timely information caused by uncertainties around job security; the rollout of JobKeeper; changes to childcare subsidies; a shift to remote work; business closures; as well as regulatory changes that allowed early access to superannuation accounts. As Chair of the Council during this time, the focus was to manage these changes and provide

support to the advice community.

#### COUNCIL MEMBERS

Bruce Lanyon	SF FIN	
Bernard McCrea	SF FIN	
Louise Trevaskis	F FIN	
Louis Geronazzo	F FIN	
Diana Bugarcic	SA FIN	
Peta Tilse	SF FIN	
Sandra Bowley	SF FIN	
John Corcoran	F FIN	Chair

### FUNDS AND ASSET MANAGEMENT INDUSTRY COUNCIL



**WESLEY HATCH, F FIN, CHAIR.**

The Funds and Asset Management Industry Council is resolved to represent the interests of the industry as a whole. Our core focus is to work with FINSIA to develop relevant content designed to engage with members from the funds and asset management industry. I consider myself very fortunate to Chair a diverse council of passionate industry experts.

Three areas of common interest have emerged from the council:

1. Investment Governance: how do we develop an investment approach that will meet the needs of investors, considering a wide range of factors such as behavioural finance and risk appetite?
2. Portfolio management and governance: ensuring members have a sound understanding of the dynamic regulatory framework so fiduciary obligations are satisfied; and ESG, sustainable, green investment: what value do different approaches deliver.
3. We are engaging with industry leaders in each of these areas to ensure FINSIA remains a trusted provider of high-quality content through 2022 and beyond.

#### COUNCIL MEMBERS

Wesley Hatch	F FIN	Chair
Susanna Gorogh	SF FIN	
Simon Hudson	F FIN	
Scot Thompson	SA FIN	
Giles Gunesequera	SF FIN	
Paul Chin	SF FIN	
Paul Khoury	SF FIN	
Brendan O'Connor		
Sharon Davis	F FIN	





## COUNCILS & COMMITTEES

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### RETAIL AND BUSINESS BANKING INDUSTRY COUNCIL



**JOHN DEBENHAM, SF FIN, CHAIR**

In late 2020, work commenced on creating a set of "Professional Standards" to which members will be expected to subscribe. Demonstration of our commitment to robust professional standards will be an outcome of which we can all be individually proud.

It was an exciting year for the RBB Council, and I do hope members are beginning to feel the positive impact of the work being done by the Council and FINSIA management working strongly together.

#### COUNCIL MEMBERS

Allan Hodgson	SA FIN		Helen Michael	F FIN	
Siobhan Casey			Johanna Ham	A FIN	
Monique Reynolds	F FIN		Adrian Lovney	F FIN	
Harald Scheule			Darryl Mohr		
Chris Bayliss	F FIN	Chair	Carmel Speer		
Mike Currie	SF FIN				
David Boromeo	SA FIN				
Daniel Biondi	SF FIN				
Cindy Hansen	F FIN				
Paul Collins	F FIN				
Adam Ward	F FIN				
John Debenham	SF FIN	Chair			
Edward Box	F FIN				
Greg Crocombe	F FIN				

### INSTITUTIONAL MARKETS INDUSTRY COUNCIL



**PAUL TRAVIS, SF FIN, CHAIR**

The Council had planned to focus on two areas at the beginning of 2020, key topics impacting markets and institutional coverage in FINSIA's accreditation programs. The key topics impacting the markets throughout the year Council addressed included LIBOR, negative interest rates, liquidity and further the work on Standards. The Council also worked with the FINSIA team identifying areas of focus in the accreditation programs which addressed skills needs to operate in the Institutional markets. By reaching out to members during the COVID-19 pandemic, the Council was

able to support FINSIA develop events using the areas already being focused on with Council members and then participating in several webinars.

As the Council Chair, I would like to thank the Council members for their focus and efforts in helping FINSIA members stay connected and up to date with the issues affecting the institutional markets during a very challenging year.

#### COUNCIL MEMBERS

Joanne Dawson			Ian Perera	F FIN	
Anthony Carlton	SA FIN		David Cox	F FIN	
Anastasia Economou	SF FIN		Andrew Kinasch	F FIN	Chair
Connie Sokaris	F FIN		Greg Morris	F FIN	
Alastair Findlay	F FIN		Jerry Parwada		
Paul Travers	SF FIN		Luke Marriott		
Andrew Butler	SF FIN		Adrienne Neilson		



## COUNCILS & COMMITTEES

### NEW SOUTH WALES YFP



#### MICHAEL ROMANO, SA FIN, CHAIR

I'm proud of our team for running some events in 2020 and even prouder of the YFP Committees around Australia for coming together for our first virtual

Current and Future Leaders event. I hope we can continue this into the future.

Our commitment to the community we serve and the young and vibrant finance professionals in NSW/ACT will always remain. We will drive new events, partnerships, mentorship, and professional development. Whatever challenges we face, and obstacles come our way, the NSW/ACT Young Finance Professional committee will remain dedicated and passionate about giving back to our community.

#### COMMITTEE MEMBERS

Michael Romano	SA FIN	Chair
Cameron Howlett		Deputy Chair
Leslie McCluskey		Member
James Walker		Member

### QUEENSLAND YFP



#### ADAM CROMBIE, SA FIN, CHAIR

With the huge take-up of remote working, it was almost unanimous amongst those who attended our events that it was one of the first chances they'd had

all year to meet with others, with a clear message that the social interaction was so important to not only career success, but to mental health in general.

The QLD YFP generally aim to host five or six events each year, ranging from informal after work networking events, CPD style events where a subject matter expert delivers a presentation on a relevant topic (such as block chain, crowd funding, or softer skills like public speaking and career mindset - and of course networking drinks after), and then our signature event Current & Future Leaders which is a speed networking event held each year.

#### COMMITTEE MEMBERS

Eloise Jolly		Deputy Chair
Angus Goodyear	A FIN	Member
Adam Crombie	SA FIN	Chair
Petra Kliese		Member
Nadine Mudalige	G FIN	Member
Jenna Nash	A FIN	Member
Assia Murphy	A FIN	Member

### SOUTH AUSTRALIA YFP



#### PETER TYSON, SA FIN, CHAIR

With contact limited to electronic means over 2020, our focus for this year will be about re-connecting with our YFP cohort, providing face-to-face contact through

networking, educational and career development opportunities over the year.

Key areas we will be targeting in 2021 include: strengthening relationships with the major banks, collaborative efforts with other young professional organisations (e.g. accounting, legal services), mentoring and leadership development. This has been evidenced through our renewed collaboration with the Adelaide University Finance Students' Society, providing career pathways for talented graduates to pursue a rewarding career in finance in South Australia.

#### COMMITTEE MEMBERS

Ben Caruso	A FIN	Member
Timothy Young	A FIN	Deputy Chair
Ivan Oulianoff		Member
Maggie Beukes		Member
Peter Tyson	SA FIN	Chair



## COUNCILS & COMMITTEES

### WESTERN AUSTRALIA YFP



#### ELODIE CASTAGNA, CHAIR

During CY2020, the WA YFP Committee kept active promoting FINSIA to young corporate professionals. In light of COVID-19, we had to postpone our physical

Current & Future Leaders event, due to take place in March, and we converted the event into a Webinar Series where we interviewed some of the leaders previously confirmed.

We also helped put together the National YFP Current & Future Leaders Virtual Event with the other YFP Committees, which took place in October 2020.

Before the end of the year, we successfully hosted our first face to face event of the year - a breakfast with our WA Regional Council members Wayde Keyser, NAB Markets State Director and Adrienne Oliveri, State Manager for Small Business Banking at ANZ, who provided their insights into the WA Banking sector and economy. The event was very well received with 50 tickets purchased.

#### COMMITTEE MEMBERS

Boris Divis		Member
Amanda Bourke		Member
Emmanuel Ranga		Member
Kevin Too	A FIN	Member
Lashan Wanigasekera	G FIN	Deputy Chair
Elodie Castagna		Chair
Deanne Garac		Member

### VICTORIA YFP



#### MARCO FANTOZZI, A FIN, CHAIR

One thing we strive to do on the committee, is to bring financial services professionals together to engage, socialise, network, develop and build relationships.

I'm glad to say that, even in lockdown, all the state YFP committees came together to launch the very first Virtual Current and Future Leaders event. We were pleasantly surprised by the level of enthusiasm and engagement from members with the new format (given the circumstances).

#### COMMITTEE MEMBERS

Drew Garrett	A FIN	Member
Mercedes Poutakidis		Member
Kerrydan Flory	A FIN	Deputy Chair
Nicholas Tonkin		Deputy Chair
Caroline Ramsden		Deputy Chair
Marco Fantozzi	A FIN	Chair
Tao Li	A FIN	Member

THANK YOU TO OUR **YOUNG FINANCE PROFESSIONAL COMMITTEE MEMBERS** FOR THEIR VALUABLE SUPPORT OF FINSIA AND ITS MEMBERS ACROSS AUSTRALASIA.



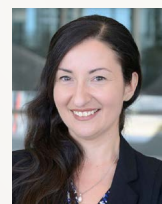
## COUNCILS & COMMITTEES

THANK YOU TO OUR **DIVERSITY ADVISORY COUNCIL** AND **AJAF EDITORIAL BOARD MEMBERS** FOR THEIR VALUABLE SUPPORT OF FINSIA AND ITS MEMBERS ACROSS AUSTRALASIA.

### AJAF EDITORIAL BOARD

EDITORIAL BOARD MEMBERS		
Dr Frank Liu		
Professor Fariboz Moshirian		
Associate Professor Robert Bianchi		
Associate Professor Tony Carlton		
Associate Professor Maurice Peat	F FIN	Managing Editor
Dr Anthony Brassil		
Professor Steve Easton		
Dr Jean Canil		
Professor Alireza Tourani-Rad	F FIN	
Professor Kevin Davis	SF FIN	
Dr Bruce Arnold		
Aaron Minney	F FIN	
Professor Kim Hawtrey	SF FIN	
Associate Prof Elaine Hutson		
Professor Carole Comerton-Forde		

### DIVERSITY ADVISORY COUNCIL



#### LINDA MANIACI, SF FIN, CHAIR

The Diversity Advisory Council has spearheaded many of FINSIA's Diversity in Financial Services initiatives including research, advocacy, and webinars. 2020 was no different in that regardless of the pandemic it was critical to continue to keep the dialogue open in relation to diversity related issues - one of which is that of gender. And so we issued our sixth biennial Gender Divide Survey, with the inclusion of pandemic related questions to see what the impact has been when working from home became the norm for everyone. We also received endorsement from the Board to measure other

forms of diversity within our membership base, which we will look to focus on in the near future. As Chair of the Council during this time, it is critical we do not lose sight of the fact that there is still a divide in relation to gender related issues in our industry, requiring increased focus, not less.

### COUNCIL MEMBERS

Wayne Atkinson		
Anne Voursoukis	F FIN	
Sonja Steiner	F FIN	
Helen Lorigan	SF FIN	
Natalie Yan-Chatonsky	A FIN	
Lisa Lintern	A FIN	
Gavin Nelson	SA FIN	
Maebehe Garcia	F FIN	Deputy Chair
Linda Maniaci	SF FIN	Chair
Malini Raj	SF FIN	

# CORPORATE GOVERNANCE

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6



## 6 // CORPORATE GOVERNANCE

### FINSIA is a founding member of the ASX Corporate Governance Council and FINSIA's Chief Executive Officer is a member of the council.

FINSIA's Board has endorsed the Corporate Governance Council Principles and Recommendations Fourth Edition.

The Board is focused on ensuring stakeholders are informed of our activities and that the confidence of our members is preserved.

#### PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

- ✔ The Board is responsible for the overall corporate governance of FINSIA, including its corporate planning.
- ✔ The Board has a management framework, including a system of internal control, a business risk management process and established ethical standards.
- ✔ Introduced a new 3 level complaint handling process for handling complaints from members about the association's

corporate governance, operational procedures and accountability. This new process can be found on our website [www.finsia.com](http://www.finsia.com). We have not received any such complaints from any members in 2020.

#### PRINCIPLE 2 STRUCTURE THE BOARD TO ADD VALUE

- ✔ The FINSIA Constitution determines the composition of the Board, with directors subject to election by a direct national vote by members.
- ✔ The Chief Executive Officer and Managing Director is the only director who is a member of management.
- ✔ The Chair and Board members are independent directors.
- ✔ As a membership organisation, we derive strength from the involvement of the directors as members committed to the enhancement of FINSIA's objectives

#### Selection of directors

- ✔ The directors in office at the date of this statement are set out in the directors' report on [page 32](#).

- ✔ Biographical details outlining skills, experience and expertise relevant to the position of the director are provided in the Board profile on [page 26](#). Other directorships are also included.

- ✔ FINSIA is committed to ensuring gender diversity in the composition of its Board of directors in accordance with Principle 3 of the ASX

- ✔ Corporate Governance Principles and Recommendations. A third of the elected directors in 2020 are women. The Board has an induction program in place for new directors.

#### Nominations committee

- ✔ The Nominations and Remuneration Committee comprises the President, Vice President, Managing Director and two other directors or as otherwise determined by the Board from time to time.

- ✔ The composition and attendance at meetings of the Nominations and Remuneration Committee are shown in the directors' report on [page 34](#).

- ✔ The constitution provides for a maximum of nine directors and a minimum of seven. No director may serve more than three three-year terms.

- ✔ In its consideration of candidates for the Board, the Nominations and Remuneration Committee seeks continuity of expertise and representation of regions and industry sectors, as serving directors conclude their tenure on the Board. This committee utilises a skills matrix to identify potential directors with diverse skills.

- ✔ The Board-endorsed guidelines for attributes required of directors are outlined in the Board Charter, which is available at [Finsia.com/about](http://Finsia.com/about).

- ✔ The Board has established a Directors Nominations Committee as a sub-committee of the Nominations and Remuneration Committee to assist the selection and election of Directors to the Board. Details of the terms of reference and the members of the committee are available on our website at [Finsia.com/about](http://Finsia.com/about).

#### Board performance

- ✔ The Board regularly undertakes board performance reviews.

#### Regional representation

- ✔ The Board appoints Regional Councils, which include representatives from various business sectors. Members of Regional Councils are FINSIA members.



## 6 // CORPORATE GOVERNANCE

### Independent professional advice

Each director has the right to seek independent professional advice at FINSIA's expense. The President's prior approval is required, which is not to be withheld unreasonably.

### PRINCIPLE 3 ACT ETHICALLY AND RESPONSIBLY

The Board acts ethically and responsibly in its decision-making and the Code of Conduct is available at [Finsia.com/about](https://finsia.com/about).

Directors are required to disclose transactions between themselves, their firms or associated entities and FINSIA, including payment for services.

The Board takes seriously its legal obligations and has regard to the reasonable expectations of all stakeholders.

### Conflicts of interest

Board policy requires that if there is, or could be, a conflict of interest for directors, then those directors do not receive relevant board papers, do not participate in those discussions or vote, and absent themselves from the meeting room when those discussions are held.

The policy provides for a register of interests and directors are required to notify any changes to their register of interests at each board meeting.

### Diversity policy

Although not a listed entity covered by the ASX Corporate Governance Principles and recommendations, discloses the proportion of women in the whole organisation, at senior executive and board levels in accordance with the recommendations in Principle 3.

### Measurable objectives

The FINSIA Board has adopted the following measurable objectives for achieving gender diversity across the organisation's business.

**In 2020, half of the executives of the organisation were women.**

### PRINCIPLE 4 SAFEGUARD INTEGRITY IN CORPORATE REPORTING

In accordance with the ASX principle, the Chief Executive Officer and the Chief Financial Officer have provided signed statements to the Board that the company's financial reports present a

true and fair view, in all material respects, of the company's financial position and operational results and are in accordance with relevant accounting standards.

To provide rigour and accountability, declarations are made by each of the operational managers that all material liabilities have been identified and communicated to the finance department as part of the year end accounting process.

Members of the Audit, Finance, Risk Management and Compliance Committee (Audit Committee) are all non-executive directors, and the chair of the committee is not the chair of the Board.

Membership of the committee during 2020 is set out in the directors' report on [page 32](#).

In 2020 FINSIA changed its auditors from Deloitte to Pitcher Partners as Deloitte was chosen to perform consulting work for FINSIA.

### PRINCIPLE 5 MAKE TIMELY AND BALANCED DISCLOSURE

FINSIA discloses to members and other key stakeholders material information that may affect the organisation

from time to time.

Our website, Finsia.com, provides comprehensive and up-to-date information about member benefits and services, professional development events, careers information, FINSIA news and media releases, advocacy initiatives and corporate governance.

### PRINCIPLE 6 RESPECT THE RIGHTS OF SECURITY HOLDERS

The Board carefully considers the rights of all members of FINSIA and provides members with information about FINSIA's financial situation, performance and governance, major initiatives and future strategy, alliances and partnerships, and policy and advocacy by a range of methods.

Communications include the annual report, AJAF, The Standard, CPD Newsletter, CEO Updates, InFinance, the FINSIA website and the annual general meeting (AGM).

The external auditor is invited to attend the AGM and be available to answer questions about the conduct of the audit, and the preparation and content of the auditor's report.



## 6 // CORPORATE GOVERNANCE

### PRINCIPLE 7 RECOGNISE AND MANAGE RISK

✓ The Board has established policies on risk oversight and management. In addition, the Chief Executive Officer and the Chief Financial Officer have stated to the Board in writing that:

- the integrity of financial statements is founded on a system of risk management and internal compliance and control that implements the policies adopted by the Board.

- the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

✓ FINSIA has adequate risk management and compliance controls in place.

✓ The Board also, on a regular basis, receives reports about the strength of the risk management framework and processes.

✓ IT infrastructure and services are outsourced to an external hosting facility. In the event of a significant business disruption the outsourced provider has a Business Continuity Plan (BCP) in place for effective recovery procedures

that are reviewed on an annual basis.

✓ The Audit, Finance, Risk Management and Compliance Committee reviews the status of risk and compliance. The risk register, which is used to identify, assess, monitor and manage material risk throughout the organisation, is considered by management on a monthly basis and reported to each meeting of the Audit, Finance, Risk Management and Compliance Committee and the Board.

✓ The management and Board had established an operational risk framework and risk register of FINSIA and its controlled entities. This is being reviewed regularly at board and board committee meetings to manage operational risk of the business.

✓ A fraud control plan and a whistle-blower policy are also in place.

### PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

#### Remuneration Committee

✓ The Remuneration Committee is combined with the Nominations Committee and comprises the President, Vice

President, Managing Director and two other directors, or as determined by the Board from time to time.

✓ Attendance at meetings of the committee is shown in the directors' report on [page 34](#).

✓ We have an annual salary and bonus review process for all staff. Payments of any salary and bonus amounts are market-driven, performance-based and discretionary.

✓ We operate a variable incentive program, which has delivered an enhanced capability to drive individual employee performance and to reward high performance and further support FINSIA's performance culture.

✓ The constitution prohibits remuneration of any director in his or her capacity as a member of the Board, other than any salary payment due to the director as a FINSIA employee.

✓ The non-executive directors act in an honorary role and no board fees nor remuneration have been paid to the directors.



# FINSIA BOARD DIRECTORS AND CEO

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## 7 // FINSIA BOARD DIRECTORS AND CEO



### VICTORIA WEEKES,

Chartered Banker SF FIN BCOMM LLB FAICD

**PRESIDENT** Appointed 30 July 2019

**BOARD MEMBER** Appointed March 2013

**REGION** New South Wales and Australian Capital Territory

Victoria is a professional non-executive director with more than 25 years' experience as a senior executive in the financial services sector.

Victoria recently completed her 9 term as Independent Chair of \$45bn Super Fund, OnePath Custodians following its sale by ANZ. Victoria is Chair of NSW Treasury Audit & Risk Committee and a member of the ASIC Markets Disciplinary Panel. Victoria was previously a non-executive director of ASX-listed URB Investments, eTrade and ANZ Trustees.

During her executive career Victoria was a Managing Director at Citigroup Australia and an Executive General Manager at Westpac. Victoria has been a member of FINSIA and its predecessor organisation the Securities Institute since 1996.

Chair, Nominations & Remuneration Committee  
Member, Audit, Finance, Risk Management and Compliance Committee,  
Member, Board Advisory Committee,  
Member, Disciplinary Committee.



### GRANT CAIRNS,

Chartered Banker F FIN B Comm M App Fin CA

**VICE PRESIDENT** Appointed 20 April 2020

**BOARD MEMBER** Appointed June 2013

Grant is the Executive General Manger, Regional & Agribusiness Banking of Commonwealth Bank of Australia with more than 20 years' experience in financial services.

Grant has been in his current role for over four years and has been with the Commonwealth Bank since 2005 holding General Manager and Executive Manager roles in Commercial Lending, Asset Finance and Specialist distribution. Prior to joining Commonwealth Bank, Grant was a General Manager with McCarroll Automotive Group and also worked with KPMG in the Audit division.

He is also a Director of the Australian Business Growth Fund (AGBF) and is both a Chartered Accountant and Chartered Banker. He has also been a member of the CEO Circle since 2012.

Grant Cairns joined the FINSIA Board in early June 2019 and then was appointed as Vice President to the FINSIA Board in April 2020.

Member, Board Advisory Committee.



### CHRIS WHITEHEAD,

Chartered Banker F FIN BSC FAICD

**CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR**

Appointed September 2016

Chris was appointed FINSIA CEO in September 2016. He has been associated with the Australasian financial services industry for nearly 30 years. Previously, he was CEO of CUA, Australia's largest customer-owned financial institution, Regional Director, Bank of Scotland and CEO, BankWest Retail Bank.

He has extensive experience as a non-executive director including in the payments, wealth management and insurance sectors.

Commencing his career in IT, Chris maintains a keen interest in the ongoing impact of technology on financial services.

Member, Nominations and Remuneration Committee Chair, Board Advisory Committee.



## 7 // FINSIA BOARD DIRECTORS AND CEO



### IAN POLLARI,

F FIN BCOMM MBA

**DIRECTOR** Appointed October 2017

Mr Pollari is a partner at KPMG and is currently the Head of KPMG's Banking & Capital Markets Sector in Australia. He is also the Global Co-Lead of KPMG's Fintech practice, and up until recently served on the board of Stone & Chalk.

Ian has over 20 years' experience servicing clients in the financial services industry and brings deep knowledge and insights into the experiences of local and international banks, payment providers and fintech companies in areas such as strategy development, market entry, digital innovation, regulation and risk management practices.

Ian frequently interacts with the government and regulators on emerging policy developments.

Member, Nominations and Remuneration Committee Chair, Board Advisory Committee.



### ALAN BARDWELL,

SF FIN CA GAICD

**DIRECTOR** Appointed 8 February 2019

Alan is a senior finance, risk and audit executive, with 37 years Australian and global experience in the banking, finance and securities industry. This includes 16 years at Citigroup and 10 years with the Australian Securities Exchange until 2017 where he served as Chief Financial Officer and then Chief Risk Officer. More recently, Alan has developed a non-executive director career and currently serve on the boards of Australian Military Bank, rt Health and Transport Health (a private health insurer), and Chair of Ku-ring-gai Financial Services Limited. Since February 2019 Alan has served on the FINSIA Board.

Alan is also a consultant to advisory group The Risk Board and Chair of the Market Supervision and Compliance Committee that advises the Board of the Sydney Stock Exchange.

Chair, Audit, Finance, Risk Management and Compliance Committee.



### PROF ROBINA XAVIER,

SF FIN MBUS(RES) PHD GAICD FPRIA

**DIRECTOR** Appointed June 2017

Robina is the Deputy Vice-Chancellor and Vice President (Education) of QUT. Before her appointment to her current position she was the Executive Dean of the QUT Business School.

Robina has sat on several association/ government/NGO advisory groups and has significant membership body experience as a former National President of the Australian peak industry body, the Public Relations Institute of Australia. She sits on the EQUIS Committee of the European Foundation for Management Development in Brussels. Robina is a director of Creative Enterprise Australia, Australia's only dedicated creative industries accelerator.

Member, Board Advisory Committee.



## 7 // FINSIA BOARD DIRECTORS AND CEO



**HELEN LORIGAN,**  
SF FIN BCOMM GAICD

**DIRECTOR** Appointed 8 February 2019

Helen is a Venture Partner with Sapien Ventures, a global venture capital firm and is involved in raising capital for investing in online marketplaces and in fintech, Blockchain and SaaS enterprise software companies. In October 2017, Helen was appointed as Director to the Board of CPA Australia and in 2020 was appointed as a member of the Finance Committee of the Board of the SP Jain School of Global Management.

Helen has served as a Director of FINSIA since February 2019.

Helen has held roles from Chief Executive Officer, Elders Financial Planning and General Manager, Elders Wealth Management to Executive General Management roles at the ANZ Group which included Head of Wealth Strategy and Head of Channel & Segment Marketing. Prior to ANZ, Helen was Chief Manager and Senior Executive, Managed Funds at CBA and General Manager, Superannuation at MLC.

Member, Audit, Finance, Risk Management and Compliance Committee,  
Member, Board Advisory Committee.



**DAVID STEPHEN,**  
F FIN BBUS

**DIRECTOR** Appointed 29 May 2019

David is the Chief Risk Officer of Westpac Group and am a senior banker with over 30 years' experience in financial services. He has been a CRO in both the UK and Australia. David's experience spans retail, commercial and investment banking in Australia, UK, US and Asia. The majority of his experience has been focused on risk management and compliance.

At Westpac David has primary responsibility for the risk agenda across the Group including risk strategy, frameworks and day to day management. He chairs the Group Risk and Compliance Committee, Westpac's senior most Executive Risk Committee. David is also a Board member of the International Financial Risk Institute, an industry organisation for Chief Risk Officers of financial institutions globally, with a mandate to promote and enhance best practice of risk management within banks.

David is passionate about ensuring banks are well run, fulfilling shareholder, regulatory and community expectations.

Member, Audit, Finance, Risk Management and Compliance Committee.



**CAMERON FULLER,**  
Chartered Banker F FIN B.Comm CA GAICD

**DIRECTOR** Appointed 29 May 2019

Cameron is the Chief Financial Officer of Epworth Health-Care, the largest not-for-profit private hospital group in Victoria, which he joined in August 2020. Prior to this, Cameron was the Executive General Manager, Growth Sectors and Specialised Banking of National Australia Bank and was a member the Business & Private Bank (B&PB) Leadership Team, which he joined in October 2016.

Cameron commenced at NAB in April 2016 as General Manager, NAB Health. Prior to joining NAB, Cameron was a senior banker at ANZ Institutional for ten years where he led the Diversified Industries sector. Prior to ANZ, Cameron developed strong expertise in the health industry at Mayne Group, where he was for five years, as CFO of Mayne Pharma and as Head of Investor Relations for Mayne Group. Cameron also worked at PMP Limited, then Australia's largest printing and magazine publishing business, for three years as Corporate Development Manager.

Cameron started his career with PwC, where he spent eight years. A Chartered Accountant, Cameron holds a Bachelor of Commerce from Melbourne University, and a Post Graduate Diploma in Finance & Investment from FINSIA. In 2020, Cameron completed the Chartered Banker by Experience program.

Member, Nominations and Remuneration Committee, Member, Audit, Finance, Risk Management and Compliance Committee.



## 7 // FINSIA BOARD DIRECTORS AND CEO



### DAVID R COX,

F FIN B.Com. (Accounting and Finance)

**DIRECTOR** Appointed 28 May 2020

David is a partner at PwC, and is a recognised financial services specialist with a diverse range of experience across the sector. David has more than 20 years' experience in Australia, New York and the Middle East. David has a strong knowledge of the financial services sector, having worked with a broad cross section of the industry, including banks, brokers, exchanges, fintechs, leasing companies, payment providers, private equity and non-bank financiers.

He is also a recognised regulatory expert, having advised a range of local and international banks. David is a member of FINSIA's Institutional Markets Council, and has previously served as a member of the Consumer Finance Advisory Group and as Chair of the Institutional Markets Council.

Member, Audit, Finance, Risk Management and Compliance Committee.

# ANNUAL FINANCIAL STATEMENTS

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## 8//ANNUAL FINANCIAL STATEMENTS

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## 8// DIRECTORS REPORT

The directors present their report together with the consolidated financial report of the Financial Services Institute of Australasia (the “Company”), being the Company and its controlled entities (the “Group” or “FINSIA”) , for the year ended 31 December 2020 and auditor’s report thereon.

The names of the group’s directors in office during the financial year and until the date of this report are:

DIRECTOR	APPOINTED	RETIRED
<b>Victoria Weekes</b> Chartered Banker SF FIN BCOMM LLB FAICD President		
<b>Grant Cairns</b> Chartered Banker F FIN B Comm M App Fin CA Vice President		
<b>Christopher Whitehead</b> Chartered Banker F FIN BSC FAICD Chief Executive Officer and Managing Director		
<b>Ian Pollari</b> F FIN BCOMM MBA		
<b>Alan Bardwell</b> SF FIN CA GAICD Director		
<b>Robina Xavier</b> SF FIN MBUS(RES) PHD GAICD FPRIA Director		
<b>Helen Lorigan</b> SF FIN BCOMM GAICD Director		
<b>Cameron Fuller</b> Chartered Banker F FIN B.Comm CA GAICD Director		
<b>David Cox</b> F FIN B.Com. (Accounting and Finance) Director	28 May 2020	
<b>David Gall</b> SF Fin, BSc, BBus (Banking and Finance), MBA (Exec) Director		28 May 2020
<b>David Stephen</b> F FIN BBUS Director		30 September 2020
The directors have been in office since the start of the year to the date of this report unless otherwise stated.		

### PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was supporting the professionalisation of the financial services industry through educational qualifications, and delivering member services through professional development, networking events, information services, mentoring and policy research.

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

### FINANCIAL RESULTS

The loss of the Group for the year after providing for income tax amounted to \$1,181,848 (2019: \$2,877,928).

The objective of the Group is to be self-financing and to ensure the maintenance of high standards of service and professionalism amongst its members and in financial services more broadly.

The Company is a company limited by guarantee and no dividends are payable.





## 8// DIRECTORS REPORT - CONT

### REVIEW OF OPERATIONS

The Group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

During the year the Group continued its focus on investing in and building professional education qualification programs, while actively managing cost and continuing quality member service delivery.

In 2020 Group revenue was generated primarily from education revenue of \$4,844,536 (2019: \$312,709) associated with education content creation and platform development for delivery to support new major education commitments by various banks. Member subscription fees of \$2,389,891 (2019: \$2,576,242) reduced in 2020 reflecting the gradual decline in total membership numbers during the year as members retire from the industry.

FINSIA's total expenses increased to \$9,058,774 (2019: \$6,747,649) reflecting the significant investment in its digital strategy and educational programs to support important new major banks relationships, and ensure quality delivery at scale to support increased uptake of the programs across the industry. This investment drove an increase in total

expenses across various expense lines, with FINSIA retaining its focus on disciplined cost control to ensure the underlying operations remain efficient and quality member service delivery is maintained.

Reflecting prevailing low interest rate market conditions, FINSIA's investment income of \$395,932 (2019: \$515,196), was lower than the prior year due mainly to a lower distribution received from the managed funds being held by the Group.

Despite lower investment returns and the cost growth associated with new educational programs and digital investment, the net loss for the year of \$1,181,848 (2019: \$2,877,928) reflecting a material improvement (58.9%) on the prior year and a significant step in FINSIA's progression towards sustainability.

The Group measures its performance in relation to a wide range of quantitative and qualitative key performance indicators (KPIs) including but not limited to net profit/(loss), various revenue, cost and margin KPIs, member retention and acquisition, member satisfaction and engagement, attendance and satisfaction at professional development programs, the quality of FINSIA publications, policy submission and campaigns. From a professional education and qualifications perspective, the Group measures

its performance primarily on the uptake of qualifications and programs including enrolments and successful completion, and major contracts secured with major financial service providers and other organisations, and support from regulators.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Group has launched various education qualifications and programs during the year. There was no other significant change in the state of affairs of the Group during the financial year.

FINSIA faced the challenge of COVID-19 as did organisations all over the world. Working from home became normal and dealing with the challenges associated with lockdowns across Australia was successfully delivered.

### SIGNIFICANT EVENTS AFTER YEAR END

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

### LIKELY DEVELOPMENTS

There are no likely developments in the operations of the Group which would adversely affect the future operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years. The professional educational program development and delivery commitments secured in 2020 provide the platform to support and grow FINSIA membership significantly across the foreseeable future, and to expand the suite of professional education offerings more broadly across the financial services sector.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year, the Group paid a premium in respect of a contract insuring the directors, company secretary and executive officers of the Group and of any related body corporate against a liability incurred as such a director, company secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred by such an officer or auditor.



## 8// DIRECTORS REPORT - CONT

### MEETINGS OF DIRECTORS

The directors' attendance at meetings of the Company during the year is set out below.

DIRECTORS	BOARD MEETINGS		AUDIT, FINANCE, RISK MANAGEMENT & COMPLIANCE COMMITTEE	
	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND
Victoria Weekes	7	7	3	4
Grant Cairns	6	7	-	-
Christopher Whitehead	7	7	2	4
Ian Pollari	7	7	-	-
Alan Bardwell	7	7	4	4
Robina Xavier	6	7	-	-
Helen Lorigan	7	7	4	4
Cameron Fuller	7	7	2	2
David Cox	3	3	2	2
David Gall	3	4	-	-
David Stephen	1	6	-	-

### LIABILITIES OF MEMBERS

The liability of the members of the Company is limited. Every member undertakes to contribute to the assets in the event of it being wound up whilst they are a member or within one year after they cease to be a member. The contribution is for payment of the debts and liabilities contracted before the time at which they cease to be a member, and the costs, charges and expenses of winding up and for an adjustment to the rights of contributories among themselves. The amount of contribution is limited to a maximum of two dollars per member.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the board of directors.

**Victoria Weekes**  
Chartered Banker SF FIN BCOMM LLB FAICD

DATED THIS: 29<sup>th</sup> DAY OF: April 2020



## 8// AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR  
ENDED 31  
DECEMBER 2020

To the Board of Directors of Financial  
Services Institute of Australasia



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201 Sussex Street  
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**Auditor's Independence Declaration**  
**To the Board of Directors of Financial Services Institute of Australasia**  
**ABN: 96 066 027 389**

In relation to the independent audit for the year ended 31 December 2020, to the best of my knowledge and belief there have been:

- i. no contraventions of the auditor's independence requirements of the *Corporations Act 2001*, and
- ii. no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Financial Services Institute of Australasia and the entities it controlled during the year.

**Scott Whiddett**  
Partner

**Pitcher Partners**  
Sydney

29 April 2021

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Pitcher Partners is an association of independent firms.  
An independent New South Wales Partnership, ABN 17 795 790 912. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



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## 8// DIRECTORS' DECLARATION

### FOR THE YEAR ENDED 31 DECEMBER 2020

To the Board of Directors of Financial Services  
Institute of Australasia

The directors of the company declare that:

1. In the directors opinion, the financial statements and notes thereto, as set out on pages 30 - 58, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2020 and its performance for the year ended on that date.
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.

A handwritten signature in black ink, appearing to read 'Victoria Weekes', positioned above a horizontal line.

**Victoria Weekes**

DATED THIS: 29<sup>th</sup> DAY OF: April 2020



## 8// CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

The accompanying notes form part of these financial statements.

	2020	2019
	\$	\$
<b>Revenue and other income</b>		
Member fees	2,389,891	2,576,242
Membership services	45,498	164,891
Education revenue	4,844,536	312,709
Other revenue	211,487	139,707
Interest income	5,498	140,325
Trust distribution	395,932	515,196
Changes in fair value of investments	(15,916)	20,651
	<b>7,876,926</b>	<b>3,869,721</b>
<b>Less: expenses</b>		
Staff expenses	(4,247,993)	(3,444,188)
Consultants and contractor expenses	(1,043,045)	(55,822)
Premises expenses	(160,347)	(202,361)
Course and conference expenses	(30,155)	(154,819)
Education expenses	(1,451,478)	(413,712)
Promotion and advertising expense	(227,631)	(211,584)
Policy and publication expenses	(16,143)	(17,214)
IT and telecommunication expenses	(636,245)	(627,182)
Travel and accommodation	(60,955)	(176,901)
Printing, postage and stationery	(19,480)	(34,363)
Depreciation and amortisation expense	(850,785)	(963,435)
Finance costs	(40,785)	(49,709)
Other expenses	(273,732)	(396,359)
	<b>(9,058,774)</b>	<b>(6,747,649)</b>
<b>Profit / (loss) before income tax expense</b>	<b>(1,181,848)</b>	<b>(2,877,928)</b>
<b>Other comprehensive income</b>		
Items that will not be reclassified subsequently to profit and loss	(8,943)	4,174
Foreign currency translation differences	(8,943)	4,174
<b>Other comprehensive (loss) / income, net of tax</b>	<b>(8,943)</b>	<b>4,174</b>
<b>Total comprehensive loss for the year</b>	<b>(1,190,791)</b>	<b>(2,873,754)</b>



## 8// CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2020

The accompanying notes form part of these financial statements.

		2020	2019
	NOTE	\$	\$
<b>Current Assets</b>			
Cash and Cash Equivalents	4	1,903,437	2,191,756
Trade and other receivables	5	3,079,712	58,159
Interest bearing deposits	6	346,521	197,640
Prepayments		561,725	443,454
<b>Total current assets</b>		<b>5,891,395</b>	<b>2,891,009</b>
<b>Non-current assets</b>			
Other financial assets	6	8,298,229	11,271,104
Intangible assets	8	2,267,597	1,152,227
Lease assets	9	652,911	916,327
Plant and equipment	7	92,514	78,852
Other deposits		10,280	155,307
<b>Total non-current assets</b>		<b>11,321,531</b>	<b>13,573,817</b>
<b>Total assets</b>		<b>17,212,926</b>	<b>16,464,826</b>
<b>Current liabilities</b>			
Payables	10	2,025,287	291,175
Lease liabilities	9	283,620	260,603
Provisions	11	178,533	114,445
Members' subscriptions received in advance		1,633,765	1,251,226
<b>Total current liabilities</b>		<b>4,121,205</b>	<b>1,917,449</b>
<b>Non-current liabilities</b>			
Lease liabilities	9	532,981	816,126
Provisions	11	68,416	50,136
<b>Total non-current liabilities</b>		<b>601,397</b>	<b>866,262</b>
<b>Total liabilities</b>		<b>4,722,602</b>	<b>2,783,711</b>
<b>Net assets</b>		<b>12,490,324</b>	<b>13,681,115</b>
<b>Equity</b>			
Foreign currency translation reserve	12	(30,387)	(21,444)
Retained earnings	13	12,520,711	13,702,559
<b>Total equity</b>		<b>12,490,324</b>	<b>13,681,115</b>



## 8// CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2020

The accompanying notes form part of these financial statements.

	Reserves	Retained earnings	Total equity
	\$	\$	\$
<b>Consolidated</b>			
<b>Balance as at 1 January 2019</b>	(25,618)	16,580,487	16,554,869
Loss for the year	-	(2,877,928)	(2,877,928)
Other comprehensive income for the year	4,174	-	4,174
Total comprehensive loss for the year	4,174	(2,877,928)	(2,873,754)
<b>Closing balance 31 December 2019</b>	<b>(21,444)</b>	<b>13,702,559</b>	<b>13,681,115</b>
<b>Balance as at 1 January 2020</b>	<b>(21,444)</b>	<b>13,702,559</b>	<b>13,681,115</b>
Loss for the year	-	(1,181,848)	(1,181,848)
Other comprehensive income for the year	(8,943)	-	(8,943)
Total comprehensive loss for the year	(8,943)	(1,181,848)	(1,190,791)
<b>Closing balance 31 December 2020</b>	<b>(30,387)</b>	<b>12,520,711</b>	<b>12,490,324</b>



## 8// CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2020

The accompanying notes form part of these financial statements.

	Note	2020	2019
		\$	\$
<b>Cash flow from operating activities</b>			
Receipts from customers		4,453,943	3,359,094
Payments to suppliers and employees		(5,982,214)	(6,060,908)
Trust distributions received		395,932	515,196
Interest received		5,498	140,325
<b>Net cash provided by / (used in) operating activities</b>	<b>14(b)</b>	<b>(1,126,841)</b>	<b>(2,046,293)</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of plant and equipment and intangible assets		-	(543,475)
Proceeds from sale of investments		2,972,875	350,000
Payment for plant and equipment		(68,466)	-
Payment for investments		(148,881)	(355,382)
Payment for capitalised intangible assets		(1,647,935)	-
<b>Net cash provided by / (used in) investing activities</b>		<b>1,107,593</b>	<b>(548,857)</b>
<b>Cash flow from financing activities</b>			
Principal portion of lease payments		(260,128)	(152,723)
<b>Net cash provided by / (used in) financing activities</b>		<b>(260,128)</b>	<b>(152,723)</b>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		2,191,756	4,935,482
Net increase / (decrease) in cash held		(279,376)	(2,747,873)
Foreign exchange differences on cash holdings		(8,943)	4,147
<b>Cash at end of financial year</b>	<b>14(a)</b>	<b>1,903,437</b>	<b>2,191,756</b>





## 8// NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Financial Services Institute of Australasia, FINSIA Education and FINSIA NZ Limited (together referred to as the 'Group'). Financial Services Institute of Australasia is a company limited by guarantee, incorporated and domiciled in Australia. Financial Services Institute of Australasia is a not-forprofit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (A) BASIS OF PREPARATION OF THE FINANCIAL REPORT

##### Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair

value for certain classes of assets and liabilities as described in the accounting policies.

##### Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

#### (B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de-recognised from the date that control ceases.

#### (C) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from supporting the

professionalisation of the financial services industry through education qualifications, professional development, networking events, information services, mentoring, and policy research. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods or services.

##### Membership fees

Annual membership subscriptions are recognised as revenue, on a straight-line basis, over the period of the membership, which management has determined is aligned with the performance obligation being satisfied overtime. The date of payment of the initial annual membership subscriptions runs from the date of joining for twelve months and is not refundable. Subscriptions relating to periods beyond the current financial year are shown in the statement of financial position as members' subscriptions in advance.

##### Membership services and other services

Revenue from rendering of a service is recognised upon delivery of the service to the members.

##### Education income

Education income is recognised at a point in time upon enrolment of the student as this is the point at which the student takes control of the education module and the entities performance obligations are satisfied. At the point of enrolment access, the module is transferred, and the customer controls the right to access that module in its complete form at that date.



## 8// NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (D) OTHER REVENUE AND OTHER INCOME

#### Trust distributions

Trust distribution revenue is recognised when the right to receive a distribution has been established.

#### Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

### (E) EMPLOYEE BENEFITS

#### (I) SHORT-TERM EMPLOYEE BENEFIT OBLIGATIONS

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

#### (II) LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future

cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

#### (III) POST-EMPLOYMENT BENEFITS

Obligations for contributions to defined contribution pension plan are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plans that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

### (F) GOODS AND SERVICES TAX (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (G) INCOME TAX

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit



## 8// NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### (H) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

#### Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

#### Transactions and Balances

Transactions in foreign currencies of entities within the consolidated Group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

Subsidiaries that have a functional currency different from the presentation currency of the Group are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

### (I) FINANCIAL INSTRUMENTS

#### (I) NON-DERIVATIVE FINANCIAL ASSETS

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

#### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are recognised at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents, interest-bearing deposits and trade and other receivables.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances held by financial institutions which are regulated. Cash and cash equivalents in the consolidated statement of financial position comprises of cash at banks and on hand and short-term deposits with maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.



## 8// NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Interest bearing deposits

Interest bearing deposits comprise fixed term deposits with original maturities of twelve months or less that are not otherwise classified as cash or cash equivalents. Interest bearing deposits are held by financial institutions which are regulated.

### Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and

supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### (II) NON-DERIVATIVE FINANCIAL LIABILITIES

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial

position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classified non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

### (J) INTANGIBLE ASSETS

#### Separately acquired intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

#### Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An



## 8// NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired

separately. The effective life of the intangible assets takes into account the estimated period in which any course material the company has considered to remain relevant to the industry as well as factoring in any contractual agreement with vendors and/or educational partners.

### **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

### **(K) IMPAIRMENT OF NON-FINANCIAL ASSETS**

Intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ("cash generating units"). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than intangible assets not yet ready for

use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.



## 8// NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (L) PLANT AND EQUIPMENT

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

#### Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

#### Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Useful lives	Depreciation basis
Leasehold improvements at cost	1-6 years	Straight line
Office equipment at cost	3 years	Straight line

### (M) LEASES

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to

use the underlying asset and a lease liability representing its obligation to make lease payments.

#### Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

#### Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

#### Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

### (N) PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

### (O) GOING CONCERN

The financial report has been prepared on a going concern basis, which contemplates continuity of normal



## 8// NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business for a period of at least twelve months from the date these consolidated financial statements are approved. The directors note the following conditions which they have considered in assessing the appropriateness of the going concern assumption:

The Group incurred a loss from ordinary activities of \$1,181,848 during the year ended 31 December 2020 (2019: \$2,877,928), generated net cash outflows from operations of \$1,126,841 (2019: \$2,046,293) and had net current assets of \$1,770,190 (2019: \$973,560) at year end.

Financial Services Institute of Australia (the 'Company') derived a loss before income tax of \$994,746 (2019: \$654,822) and had a deficiency in current liabilities over current assets as at 31 December 2020 of \$20,919,688 (2019: \$20,042,486).

The continuation of the Company as going concern is dependent on FINSIA Education, a controlled entity of the Financial Institute of Australasia, providing continued financial support to the company.

FINSIA Education has issued a letter of support to its parent company, Financial Services Institute of Australasia, committing to provide continued financial support to enable it to continue to operate and meet its obligations as and when they fall due and has agreed to not call any amounts due to FINSIA Education for at least eighteen months from the date of the letter. As a result, the financial statements have been prepared on a going concern basis.

### (P) COMPARATIVES

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

### (Q) EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue.

The amounts recognised in the financial statements reflect events after the reporting period that provide evidence of conditions that existed at the reporting date. Whereas, events after the reporting period that are indicative of conditions that arose after the reporting period (i.e., which did not exist at the reporting date) are excluded from the determination of the amounts recognised in the financial statements.

## NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 3, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may

differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

### Recoverability of intangible asset

During the year, the directors have considered the recoverability of the Group's intangible asset which is comprised of development costs relating to the company's customer relationship management system, content management system, member portal and education assets. This intangible asset is included in the consolidated statement of financial position at 31 December 2020 with a carrying amount of \$2.3 million (2019: \$1.2 million).

The intangible asset is expected to continue to provide economic benefits to the Group through ongoing revenue generation as well as various efforts aimed at developing and tailoring new membership offerings to attract new members while retaining existing members. The directors are confident that the carrying amount of the asset would be recovered in full.



## 8// NOTES: 3 | 4 | 5

### NOTE 3: LIABILITIES OF MEMBERS

The liability of the members of the Group is limited. Every member undertakes to contribute to the assets in the event of it being wound up whilst they are a member or within one year after they cease to be a member. The contribution is for payment of the debts and liabilities contracted before the time at which they cease to be a member, and the costs, charges and expenses of winding up and for an adjustment to the rights of contributors among themselves. The amount of contribution is limited to a maximum of two dollars per member.

### NOTE 4: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash on hand	1,903,437	1,491,756
Cash at bank	-	700,000
	1,903,437	2,191,756

### NOTE 5: RECEIVABLES

	2020	2019
	\$	\$
<b>CURRENT</b>		
Receivables from contracts with customers	3,078,603	28,826
Other receivables	1,109	29,333
	3,079,712	58,159





## 8// NOTES: 6 | 7

### NOTE 6: OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
<b>CURRENT</b>		
<i>Financial assets at amortised cost</i>		
Term deposits	346,521	197,640
<b>NON CURRENT</b>		
<i>Financial assets at fair value through profit or loss</i>		
Managed funds	8,298,229	11,271,104

### NOTE 7: PLANT AND EQUIPMENT

	2020	2019
	\$	\$
<b>Leasehold improvements</b>		
At cost	46,143	282,185
Accumulated depreciation	(21,980)	(249,258)
	<b>24,163</b>	<b>32,927</b>
<b>Plant and equipment</b>		
Office equipment at cost	141,182	983,477
Accumulated depreciation	(72,831)	(937,552)
	<b>68,351</b>	<b>45,925</b>
<b>Total plant and equipment</b>	<b>92,514</b>	<b>78,852</b>
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<b>Leasehold improvements</b>		
Opening carrying amount	32,927	191,791
Disposals	-	(122,698)
Depreciation expense	(8,764)	(36,166)
<b>Closing carrying amount</b>	<b>24,163</b>	<b>32,927</b>
<b>Office equipment</b>		
Opening carrying amount	45,925	63,452
Additions	68,466	11,365
Depreciation expense	(46,040)	(28,892)
<b>Closing carrying amount</b>	<b>68,351</b>	<b>45,925</b>



## 8// NOTES: 8 | 9

### NOTE 8: INTANGIBLE ASSETS

	2020	2019
	\$	\$
Software at cost	2,527,677	2,522,727
Accumulated amortisation and impairment	(2,381,058)	(2,241,924)
	146,619	280,803
Educational Course Content at cost	2,611,546	1,016,414
Accumulated amortisation and impairment	(490,568)	(144,990)
	2,120,978	871,424
<b>Total intangible assets</b>	<b>2,267,597</b>	<b>1,152,227</b>
Educational course content is amortised over a period of 5 years.		
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<b>Software at cost</b>		
Opening balance	280,803	895,715
Additions	4,950	68,340
Amortisation expense	(139,134)	(683,252)
<b>Closing balance</b>	<b>146,619</b>	<b>280,803</b>
<b>Educational course content at cost</b>		
Opening balance	871,424	598,812
Additions	1,595,132	401,525
Amortisation expense	(345,578)	(128,913)
<b>Closing balance</b>	<b>2,120,978</b>	<b>871,424</b>

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. The company carries out an impairment review of its intangible assets when a change in circumstances or situation indicates that those assets may have suffered an impairment loss.

Amortisation is recognised in profit or loss on a straight-line basis over the asset's estimated useful life commencing from the time the asset is held ready for use. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes being accounted for on a prospective basis.

### NOTE 9: LEASE ASSETS AND LEASE LIABILITIES

	2020	2019
	\$	\$
<b>Lease arrangements</b>		
The following information relates to leases presented in accordance with AASB 16 Leases:		
<b>(a) Lease assets</b>		
Building		
At cost	1,179,743	1,179,743
Accumulated depreciation	(526,832)	(263,416)
<b>Total carrying amount of lease assets</b>	<b>652,911</b>	<b>916,327</b>
<b>(b) Lease liabilities</b>		
CURRENT		
Building lease	283,620	260,603
NON CURRENT		
Building lease	532,981	816,126
<b>Total carrying amount of lease liabilities</b>	<b>816,601</b>	<b>1,076,729</b>
<b>(c) Lease expenses and cashflows</b>		
Interest expense on lease liabilities	40,785	49,709
Depreciation expense on lease assets	263,416	263,416
Cash outflow in relation to leases	301,388	152,723



## 8// NOTES: 10 | 11 | 12 | 13

### NOTE 10: PAYABLES

	2020	2019
	\$	\$
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade creditors	883,009	52,542
Sundry creditors and accruals	1,142,278	238,633
	<b>2,025,287</b>	<b>291,175</b>

### NOTE 11: PROVISIONS

	2020	2019
	\$	\$
<b>CURRENT</b>		
Employee benefits - annual leave (a)	166,536	114,445
Employee benefits - long service leave	11,997	-
	<b>178,533</b>	<b>114,445</b>
<b>NON CURRENT</b>		
Employee benefits - long service leave (a)	68,416	50,136
<b>(a) Aggregate employee benefits liability</b>	<b>246,949</b>	<b>164,581</b>

### NOTE 12: RESERVES

	2020	2019
	\$	\$
Foreign currency translation reserve	(30,387)	(21,444)
	<b>(30,387)</b>	<b>(21,444)</b>

### NOTE 13: RETAINED EARNINGS

	2020	2019
	\$	\$
Retained earnings at beginning of year	13,702,559	16,580,487
Net profit / (loss)	(1,181,848)	(2,877,928)
	<b>12,520,711</b>	<b>13,702,559</b>



## 8// NOTE 14: CASH FLOW INFORMATION

### NOTE 14: CASH FLOW INFORMATION

	2020	2019
	\$	\$
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:		
Cash at bank	1,903,437	1,491,756
At call deposits with financial institutions	-	700,000
	<b>1,903,437</b>	<b>2,191,756</b>
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit / (loss) from ordinary activities after income tax	(1,181,848)	(2,877,928)
<b>Adjustments and non-cash items</b>		
Depreciation and amortisation	850,785	963,435
Net (gain) / loss on disposal of property, plant and equipment	(56,701)	122,698
Finance costs for lease liabilities	40,785	49,709
Release of lease incentive and make good provision for implementation of AASB 16	-	(300,784)
Fair value adjustment to financial instruments	15,916	(20,651)
<b>Changes in operating assets and liabilities</b>		
(Increase) / decrease in receivables	(3,021,553)	(237,955)
(Increase) / decrease in other assets	26,756	84,143
Increase / (decrease) in payables	1,734,112	182,577
Increase / (decrease) in membership subscriptions in advance	382,539	(41,894)
Increase / (decrease) in provisions	82,368	30,357
<b>Cash flows from operating activities</b>	<b>(1,126,841)</b>	<b>(2,046,293)</b>



## 8// NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

### NOTE 15. KEY MANAGEMENT PERSONNEL COMPENSATION

	2020	2019
	\$	\$
Total compensation received by key management personnel	1,638,424	1,562,568

#### DIRECTORS

The names of directors who have held office during the year are:

Name	Appointment / resignation details
Victoria Weekes	
Grant Cairns	
Chris Whitehead	
Ian Pollari	
Alan Bardwell	
Robina Xavier	
Helen Lorigan	
Cameron Fuller	
David Cox	appointed 28 May 2020
David Gall	resigned 28 May 2020
David Stephen	resigned 30 September 2020

#### KEY MANAGEMENT PERSONNEL

The names of key management personnel during the year are:

Name	Appointment / resignation details	Position
Christopher Whitehead		Chief Executive Officer and Managing Director
Wilson Leung	resigned 19 March 2021	Chief Operating Officer and Company Secretary
Rachael Corby		Head of Events and Continuing Professional Development
Kylie Blundell		Head of Standards and Education
Anita Poppi		Head of Corporate Affairs and Marketing
John Jeffrey		Head of Business Development and Membership Services
Dimitri Diamantes	resigned 7 February 2020	Head of Policy



## 8// NOTES: 16 | 17

### NOTE 16: INTERESTS IN SUBSIDIARIES

#### (a) Subsidiaries

The following are the Group's significant subsidiaries:

Subsidiaries of FINSIA	Country of incorporation	Ownership interest held by the Group	
		2020 %	2019 %
FINSIA NZ Ltd	Australia	100	100

#### (b) Other controlled entities

The Group fully controlled FINSIA Education for the years ended 31 December 2020 and 2019. Control is based on members interests which are held solely by the Directors of FINSIA who are committed to act in the interests of FINSIA when required. FINSIA Education is incorporated in Australia.

### NOTE 17: PARENT ENTITY DETAILS

	2020	2019
	\$	\$
Summarised presentation of the parent entity, Financial Services Institute of Australasia, financial statements:		
<b>(a) Summarised statement of financial position</b>		
<b>Assets</b>		
Current assets	1,719,608	955,538
Non-current assets	1,271,993	1,666,820
<b>Total assets</b>	<b>2,991,601</b>	<b>2,622,358</b>
<b>Liabilities</b>		
Current liabilities	22,639,296	20,998,024
Non-current liabilities	555,622	833,147
<b>Total liabilities</b>	<b>23,194,918</b>	<b>21,831,171</b>
<b>Net assets</b>	<b>(20,203,317)</b>	<b>(19,208,813)</b>
<b>Equity</b>		
Retained earnings	(20,298,972)	(19,304,226)
Reserves	95,655	95,413
<b>Total equity</b>	<b>(20,203,317)</b>	<b>(19,208,813)</b>
<b>(b) Summarised statement of comprehensive income</b>		
Loss for the year	(994,746)	(654,822)
Other comprehensive income for the year	242	4,174
<b>Total comprehensive income for the year</b>	<b>(994,504)</b>	<b>(650,648)</b>
<b>(c) Intercompany balances</b>		
Non-current assets include a loan to FINSIA NZ Limited at 31 December 2020 of \$526,568 (2019: \$572,183).		
Current liabilities include a loan from FINSIA Education at 31 December 2020 of \$20,184,838 (2019: \$19,423,299).		



## 8// NOTES: 18 | 19

### NOTE 18: CONTINGENT LIABILITIES

The Group has issued bank guarantees amounting to \$320,201 (2019: \$197,640) in favour of landlords as security for office leases in Sydney and Melbourne.

### NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATES

There has been no matter or circumstance, which has arisen since 31 December 2020 that has significantly affected or may significantly affect:

- a. the operations, in financial years subsequent to 31 December 2020, of the Group, or
- b. the results of those operations, or
- c. the state of affairs, in financial years subsequent to 31 December 2020, of the Group.



## 8// INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL SERVICES INSTITUTE OF AUSTRALASIA



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**Independent Auditor's Report  
To the Members of Financial Services Institute of Australasia  
ABN 96 066 027 389**

### Report on the Financial Report

#### Opinion

We have audited the financial report of Financial Services Institute of Australasia and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors declaration.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Group 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 (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney 31

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## 8// INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL SERVICES INSTITUTE OF AUSTRALASIA



**Independent Auditor's Report**  
To the Members of Financial Services Institute of Australasia  
ABN 94 008 387 791

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors Report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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 ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



## 8// INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINANCIAL SERVICES INSTITUTE OF AUSTRALASIA

**Independent Auditor's Report**  
To the Members of Financial Services Institute of Australasia  
ABN 94 008 387 791



- Conclude on the appropriateness of management's 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 Group'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 Group 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 those charged with governance 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.

**Scott Whiddett**  
Partner

**Pitcher Partners**  
Sydney

29 April 2021

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