

ANNUAL REPORT 2023

AUSTRALIAN RESTRUCTURING
INSOLVENCY & TURNAROUND
ASSOCIATION

ANNUAL REPORT 2023

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Shaping our future

ARITA Strategic Plan 2025



AMBITION

To lead and support appropriate and efficient means to expertly manage financial recovery.

STRATEGIC PRIORITIES

BE INVALUABLE & INDISPENSABLE

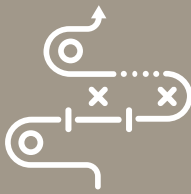


Deliver more value

Member service at the
centre of our focus

Expand and tailor our
member offering

SHAPE THE PROFESSION

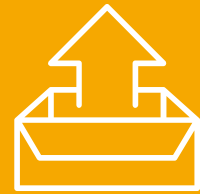


Diversity and Inclusion

Advocate for our
profession

Ensure our professional
standards are met

THRIVE & FUTURE PROOF



Be a sustainable
organisation

Grow our profession's
capability

Grow our sense of
community



RACHEL BURDETT RITF
ARITA President

PRESIDENT'S MESSAGE

2023 caps off another highly successful year for ARITA.

It's been a year in which we were both externally and internally focused, with two major projects requiring a significant investment of our time and resources.

The first and outwardly focused project has been in advocacy, where ARITA's efforts have never been more fruitful.

At the forefront of our success was the Parliamentary Joint Committee Inquiry into Corporate Insolvency, which concluded in the first half of the year. ARITA played the leading role in the Inquiry and, most pleasingly, the recommendations were very close to what ARITA was seeking across the board, not least of which was the PJC's recommendation for a comprehensive review of Australia's insolvency laws, while also addressing the need for some priority reforms.

This has provided a launch pad for ARITA to continue to engage with government, and we have done so proactively and continuously. ARITA's relationship with all sides of government is stronger than ever before.

We have also been able to work to deliver actual law reform, including the changes to the small business redundancy laws that have been the subject of our advocacy for several years. Effort has also been required to manage issues arising from the Senate Inquiry into the Management and Assurance of Integrity by Consulting Services, with ARITA having to engage with key stakeholders to remind them of the level of professional standards

that we ensure are maintained within the restructuring, insolvency and turnaround profession.

Our engagement of former Productivity Commissioner Dr Warren Mundy as a Special Advisor to the ARITA Board has contributed to our success in the advocacy space. Dr Mundy conducted the last major review of insolvency law as part of the Productivity Commission's inquiry into Business Setup, Transfer and Closure. Dr Mundy's insights and policy focus have been a gamechanger for ARITA and the return on our investment in engaging him is self-evident.

Our second major, but this time inwardly focused project, has been in the transformation of our education offerings. This is about delivering on a key element of our strategic plan – to be invaluable and indispensable to our members and their firms.

Firstly, we have been transitioning a major proportion of our education product to online learning on demand. Not only will our Essential Skills products become transformative for how firms are able to educate their staff by making sure that whatever training our members need is available when they need it, but they are going to become a lot more affordable.

Throughout 2023, ARITA has also been investing in transforming our Advanced Certification program. We've been very concerned at the rising cost of our Advanced Certification course, and we'd like to see changes to some elements of course delivery. These are consequences of having an external party as our delivery partner and are not fully within our control. As a result,

we have been working towards taking full control of the Advanced Certification and also seeing the course offering being increased in scope for optional study while also moving it to a more practical and "job ready" model.

These education projects are truly transformative for ARITA. Most importantly, by bringing on the necessary specialists to deliver these changes, we have also significantly upscaled our expertise in adult education. Traditionally, ARITA has been a leader in the technical content of our education but we have not been experts in the science of education per se. With this new capacity, you will see major improvements in the quality of our already world-leading offerings and it is opening up significant opportunities for us.

Our investments as outlined have resulted in a budgeted loss of \$115,659 for the year. However, ARITA continues to hold a strong total equity position of \$1,329,551.

Despite the continuing pressure on the profession from low levels of formal insolvency work, we are proud that ARITA's membership numbers remain resilient. We continue to have a strong 95% professional membership retention rate and represent around 80% of all registered liquidators and trustees.

We have also continued to progress our actions across DEI, technical contributions, stakeholder engagement and quality assurance. I would like to thank the ARITA team, board, executive and members who have contributed their valuable time during the year.

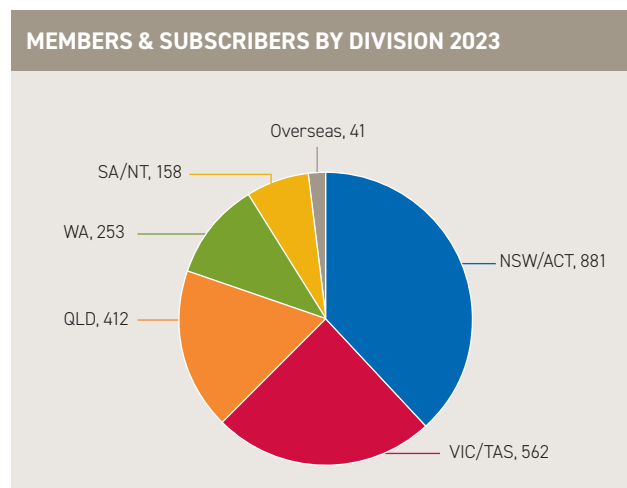
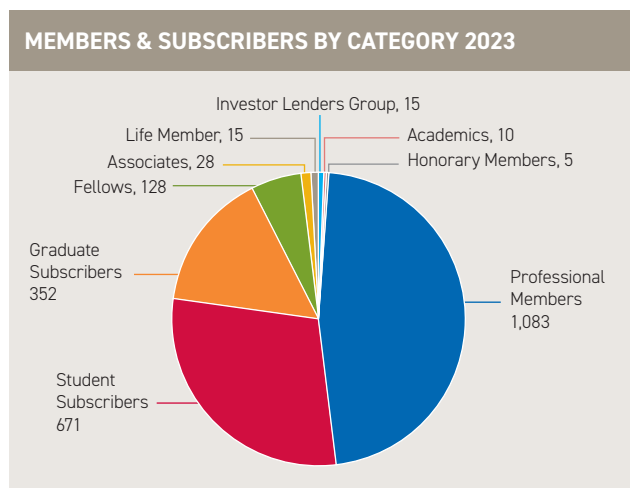
Rachel Burdett, President

ARITA maintains long-term Professional Membership.

ARITA membership numbers remain robust as the insolvency profession continues its recovery from the enormous disruption caused by the COVID-19 pandemic. ARITA anticipates that membership numbers will increase in future years as practitioners return to the profession, more graduates embark on insolvency and restructuring careers and current economic conditions lead to an increase in insolvencies and bankruptcies.

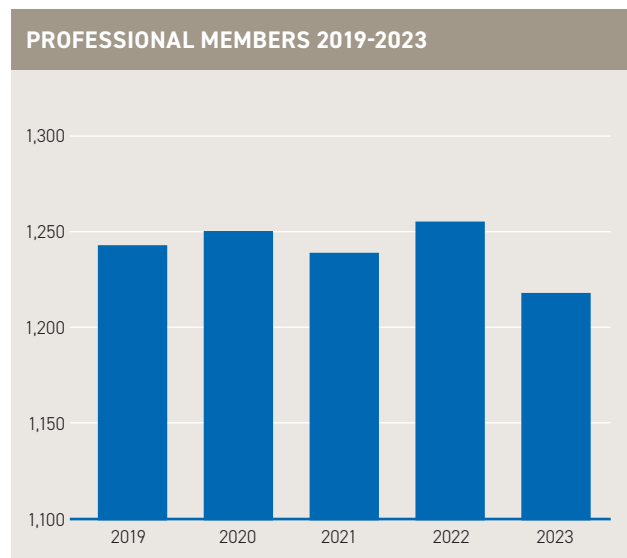
The number of student subscribers and graduate members reflects this trend, with the number of student subscribers rising by 13% and an increase of 28% for new graduate members.

ARITA retains its industry-leading representation of insolvency practitioners, with 84% of liquidators and 87% of registered trustees choosing to be ARITA members.



NEW MEMBERS 2023

Member category	Number of members
Academic	1
Associate	1
Lender & Investor	0
Graduate	86
Professional	32
Total	120



Helping insolvency professionals navigate the industry with confidence.

ARITA ensures excellence by providing the leading professional development opportunities in insolvency, restructuring and turnaround. Through a dynamic array of education initiatives, training programs and networking opportunities, ARITA continues to empower its members with the knowledge, skills and connections necessary to navigate the complexities of insolvency with confidence and proficiency.

EXPANDING ON-DEMAND TRAINING

In 2023, ARITA focused on expanding its on-demand training with additional Essential Skills courses tailored for restructuring, insolvency and turnaround professionals. These courses offer unparalleled flexibility, allowing professionals to access valuable content anytime, anywhere.

ATTENDANCE AT FORMAL COURSES

Course	Number of attendees	Number of courses held
Advanced Certification	265	2
Fundamentals of Restructuring Insolvency & Turnaround	145	1
Advanced Insolvency	120	1
Introduction to Insolvency Program	234	15
Face-to-face	177	10
Online	57	5
On-demand	641	21
Essential Skills	517	19
Professional Standards	124	2
Total	1,140	38

ATTENDANCE AT CPE EVENTS IN 2023

Event	Number of attendees	Number of events held
Conferences	872	7
SA/NT Conference	76	1
Vic/Tas Conference	121	1
NSW/ACT Conference	144	1
QLD Conference	118	1
WA Conference	80	1
Small Practice Conference	82	1
National Conference	251	1
Expert Series	594	4
Small Practice	120	1
Restructuring & Turnaround	132	1
Bankruptcy	180	1
Insolvency	162	1
Forums	2,116	39
Online	973	6
Face-to-face	1,143	33
Young Professionals Seminars	320	6
Total	3,902	56

ARITA plays a key role in maintaining high standards of professional & ethical conduct.

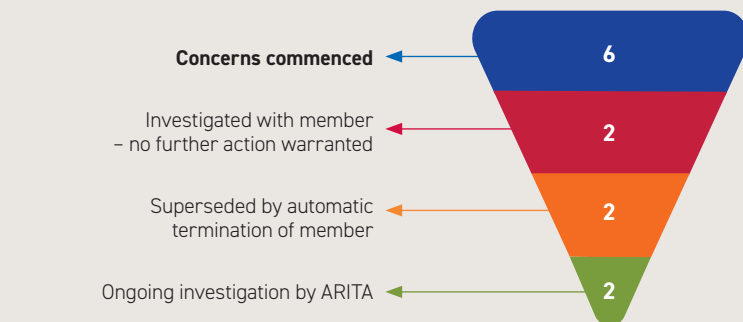
ARITA receives and investigates complaints about the professional conduct of members, and about the professional processes of ARITA members' firms. We also investigate concerns about the professional conduct of members that arise other than by way of a complaint.

Details of ARITA's processes for investigating complaints and concerns are on our website, together with published outcomes of disciplinary proceedings.

COMPLAINTS 2023



CONCERNS 2023



Automatic termination of membership	1
Reports to regulator pursuant to IPS 40-100	0

Representing the profession by providing expert policy advice leading to law reform.

ARITA makes significant investments into resourcing the role of representing the profession in various inquiries, hearings and policy consultations. 2023 was a busy year as we provided a number of submissions to government. The key highlight was the Parliamentary Joint Committee Inquiry into Corporate Insolvency. ARITA's efforts in playing the lead role in the Inquiry resulted in the recommendations being closely aligned to what ARITA was seeking. The highlight was the PJC's recommendation for a comprehensive review of Australia's insolvency laws, and it also addressed the need for some key short-term reforms.

Our advocacy has delivered actual law reform, including the changes to the small business redundancy laws which we have advocated for over a number of years. ARITA has also been required to manage issues arising from the Senate Inquiry into the Management and Assurance of Integrity by Consulting Services. This involved ARITA engaging with key stakeholders to remind them of the level of professional standards we ensure are maintained with the profession.

Our continued engagement of former Productivity Commissioner Dr Warren Mundy as a Special Advisor to the ARITA Board has greatly contributed to our success in advocacy.

The submissions we responded to are listed below.

ARITA SUBMISSIONS FOR 2023*

February 2023

- Parliamentary Joint Committee on Corporations and Financial Services – Inquiry into Australia's corporate insolvency law (supplementary submission)
- Senate Standing Committee on Economics – Australian Securities and Investments Commission Investigation and Enforcement

April 2023

- Consultation on addressing the impact of the small business redundancy exemption in winding up scenarios to support equitable outcomes for claimants under the Fair Entitlements Guarantee (FEG)

July 2023

- Senate Standing Committees on Economics – Treasury Laws Amendment (2023 Law Improvement Package No.1) Bill 2023

August 2023

- Parliamentary Joint Committee on Corporations and Financial Services – Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry

September 2023

- Attorney-General's Department – Personal Insolvency discussion paper
- Senate Education and Employment Committees – Fair Work Legislation Amendment (Closing Loopholes) Bill 2023
- Treasury Review of the regulatory framework for managed investment schemes

October 2023

- ASIC Guidance on insolvent trading safe harbour provisions: Update to RG217

December 2023

- Attorney-General's Department – Public consultation on the Government's response to the statutory review of the Personal Property Securities Act 2009
- 2024/25 Pre-Budget submission

* In addition to the above list, ARITA was also involved in a number of confidential submissions and responses and follow-up discussions in respect of the above submissions.

Our member committees are our eyes & ears.

ARITA's strategic governance is led by a national board of 11. It is made up of a President, Deputy President, a nominee elected by each Division Committee, the CEO/Company Secretary and up to five additional members appointed by the Board.

In addition, there are two non-voting observers who participate in Board meetings: ARITA's Immediate Past President and ARITA's appointee to the INSOL International Board.

All committees play a vital role in our operations and in our ability to deliver on our member value proposition.

Membership of these committees, like our Board, are all voluntary positions and their contribution is gratefully acknowledged.

Details regarding our Directors (National Board Members) can be found in the statutory financial reports.

2023/24 NATIONAL BOARD

THE EXECUTIVE	
Rachel Burdett , President	Cor Cordis
Danielle Funston , Deputy President	Maddocks
Mike Hayes , Vice President	Piper Alderman
Kathy Sozou , Vice President	McGrathNicol
John Winter , CEO and Company Secretary	ARITA
OTHER BOARD MEMBERS	
Leanne Chesser	KordaMentha
Matthew Donnelly	Deloitte
Bruce Gleeson	Jones Partners
Mathew Gollant	CJG Advisory
Jason Porter	SV Partners
Kelly Trenfield	FTI Consulting
Michael Brereton , (Non-voting), Immediate Past President	William Buck
Robyn Erskine AM , (Non-voting), INSOL Representative	Brooke Bird

2023/24 BOARD COMMITTEES

AFSA LIAISON	
Rachel Burdett , Chair	Cor Cordis
Jason Porter , Deputy Chair	SV Partners
Bruce Gleeson	Jones Partners
Mathew Gollant	CJG Advisory
ASIC LIAISON	
Rachel Burdett , Chair	Cor Cordis
Kathy Sozou , Deputy Chair	McGrathNicol
Bruce Gleeson	Jones Partners
Mathew Gollant	CJG Advisory
Jason Porter	SV Partners
ASIC/AFSA JOINT LIAISON	
Rachel Burdett , Chair	Cor Cordis
Kathy Sozou , Deputy Chair	McGrathNicol
Bruce Gleeson	Jones Partners
Mathew Gollant	CJG Advisory
Jason Porter	SV Partners
BALANCE TASKFORCE (DIVERSITY AND INCLUSION COMMITTEE)	
Kathy Sozou , Chair	McGrathNicol
Liam Bailey , Deputy Chair	O'Brien Palmer
Rachel Burdett	Cor Cordis
Robyn Erskine AM	Brooke Bird
Mathew Gollant	CJG Advisory
Melissa Jeremiah	Maddocks
Nirupa Manoharan	Mills Oakley
Christopher Moses	Commonwealth Bank
Tianne Nagy-Jones	Grant Thornton
Natasha Toholka	Norton Rose Fulbright

FINANCE	
Kelly Trenfield , Chair	FTI Consulting
Leanne Chesser , Deputy Chair	KordaMentha
Matthew Donnelly	Deloitte
Mathew Gollant	CJG Advisory
Jason Porter	SV Partners
MEMBERSHIP	
Danielle Funston , Chair	Maddocks
Jason Porter , Deputy Chair	SV Partners
Leanne Chesser	KordaMentha
Matthew Donnelly	Deloitte
Mike Hayes	Piper Alderman
Kelly Trenfield	FTI Consulting
PROFESSIONAL CONDUCT	
Bruce Gleeson , Chair	Jones Partners
Mike Hayes , Deputy Chair	Piper Alderman
Michael Brennan	SV Partners
Anthony Elkerton	DW Advisory
Melissa Jeremiah	Maddocks
Mike McCann	Grant Thornton Australia
Ross McClymont	Ashurst
Alan Scott	SV Partners
Kelly Trenfield	FTI Consulting
Anthony Warner	CRS Insolvency Services

SMALL-MEDIUM PRACTICE (SMP)	
Mathew Gollant , Chair	CJG Advisory
Anthony Elkerton , Deputy Chair	DW Advisory
Liam Bailey	O'Brien Palmer
Michael Brennan	SV Partners
Robyn Erskine AM	Brooke Bird
Bruce Gleeson	Jones Partners
Alan Hayes	Hayes Advisory
Glen Oldham	Oldhams Advisory
Anthony Phillips	Heard Phillips Lieberenz
Chad Rapsey	Rapsey Griffiths
Anthony Warner	CRS Insolvency Services
TECHNICAL WORKING GROUP	
Michael Brereton	William Buck
Maria Duta	FTI Consulting
Nicholas Giasoumi	Dye & Co
Mark Gibson	Cor Cordis
Paul Gidley	Shaw Gidley
Stephen Longley	PwC
Daniel Moore	BCR Advisory
Russell Morgan	Morgan Corporate Recovery
Richard Morrow	J R Morrow Pty Ltd
Hillary Orr	Hillary Orr Chartered Accountants
Leearna Plank	Deloitte
Thomas Russell	Piper Alderman
Trudi Shepard	KordaMentha
Peter Sheppard	FerrierSilvia

2023/24 DIVISION COMMITTEES

NSW/ACT DIVISION	
Danielle Funston , Chair	Maddocks
Kathy Sozou , Deputy Chair	McGrathNicol
Hannah Griffiths , Secretary	Pinsent Masons
Michael Brereton , Immediate Past President	William Buck
Liam Bailey	O'Brien Palmer
Kate Conneely	KordaMentha
Kirsten Farmer	Mills Oakley
Bruce Gleeson	Jones Partners
Rajiv Goyal	Aston Chace Group
Glenn Livingstone	WLP Restructuring
John Melliush	PCI Partners
Jason Porter , Board Representative	SV Partners
Phil Quinlin	KPMG
David Walter	Allen & Overy
QLD DIVISION	
Kelly Trenfield , Chair, Board Representative	FTI Consulting
Ian Dorey , Deputy Chair	K&L Gates
Chris Cook , Secretary	Worrells
Moira Carter	BRI Ferrier (Qld North)
Anthony Connelly	McGrathNicol
Michael Fingland	Vantage Performance
David Johnstone	KordaMentha
Matthew Joiner	Cor Cordis
Damien Lau	Bentleys
Helen Newman	BDO
Glen Oldham	Oldhams Advisory
Ben Shaw	Heritage and People's Choice
Michael Owen	PwC
Peter Smith	Johnson Winter & Slattery

SA/NT DIVISION	
Craig Hannam , Chair	Ferguson Hannam
Natasha Riach , Deputy Chair, Secretary	Maurice Blackburn
Mike Hayes , Board Representative, Vice President	Piper Alderman
David Colovic	LK Law
Andrew Langshaw	Duncan Powell
Robert Naudi	Rodgers Reidy
Thomas Salleh	Pitcher Partners
Sam Sellahewa	Rodgers Reidy
Victoria Young	Heard Phillips Lieberenz
VIC/TAS DIVISION	
Melissa Jeremiah , Chair	Maddocks
Adrian Hunter , Deputy Chair	Brooke Bird & Co
Tianne Nagy-Jones , Secretary	Grant Thornton
Travis Anderson	Deloitte
Rachel Burdett , National Board President	Cor Cordis
Amanda Carruthers	Victorian Bar Inc
Leanne Chesser , Board Representative	KordaMentha
Jim Downey	JP Downey & Co
Allan Kawalsky	TurksLegal
Paul Langdon	Vince & Associates
Michael Lhuede	Piper Alderman
Neil McLean	Rodgers Reidy
Katherine Payne	Hall & Wilcox
Robert Smith	McGrathNicol
WA DIVISION	
Michelle Shackles , Chair	RSM Australia
Jeffery Black , Deputy Chair	Norton Rose Fulbright
Shelley Gepp , Secretary	Lavan
David Blanchett	Sheridans Chartered Accountants
David Bryant	Ankura
Matthew Donnelly , Board Representative	Deloitte
Malcolm Field	SV Partners
James Hewer	Clifford Chance
Nirupa Manoharan	Mills Oakley
Linda Smith	McGrathNicol

2023/24 YOUNG PROFESSIONALS COMMITTEES

NSW DIVISION	
Alex Winston , Chair	Bridges Lawyers
Vanessa Duckworth , Deputy Chair	Jones Partners Insolvency
Catherine Jaques , Deputy Chair	FTI Consulting
Lucinda Blue	Ashurst
Marc Bosnic	Minter Ellison
Kayne Domanko	KordaMentha
Domenic Kyriacou	Westpac Banking Corporation
Melissa Liu	Johnson Winter Slattery
Bonnie McMahon	Matthews Folbigg Lawyers
Christopher Moses	CBA
Charbel Moujalli	Jones Day
Scott Rogers	McGrathNicol
Charlotte Summers	PwC
Alister Yee	Vincentis
ACT DIVISION	
Sarah Hendry , Chair	Thomson Geer Lawyers
QLD DIVISION	
Matthew Rodgers , Chair	RBG Lawyers
Bronte Shiels , Deputy Chair	Worrells
Julien Cartron	KordaMentha
Pravneel Chaudhary	Talbot Sayer
Brittany Marie Engeman	Cowen Schwarze Marschke Lawyers
Alicia Green	K&L Gates
Matthew Hudson	SV Partners
Declan Lane	Cathro & Partners
Kris Larosa	EY
Marguerite Lutvey	BDO Brisbane
Phoebe Noon	EY
Yasatama (Paris) Parasadi	FTI Consulting
Sophie Qu	Minter Ellison

SA/NT DIVISION	
Travis Munckton , Chair	Bernardi Martin
Stephanie Campbell	Finlaysons Lawyers
Daniella Carling	Finlaysons Lawyers
Jay Gandhi	Rodgers Reidy
Matthew Jeffery	Heard Phillips Lieberenz
Claire Muecke	SV Partners
VIC/TAS DIVISION	
Natalie Chin , Chair	KordaMentha
Mathew Gashi , Deputy Chair	Maddocks
Sophie Caldwell	Hall & Wilcox Lawyers
Jacob Carville	AS Advisory
Jason Ferfaglia	I & R Advisory
Amy Green	Mills Oakley Lawyers
Patrick Kendall	Worrells
Oliver Keogh	Ashurst
Genuine Sandy Kiriama	SV Partners
Stefanie Krienke	Cor Cordis
Alex Mendez	Rodgers Reidy
Amelia Russell	PCI Partners Pty Ltd
William Sier	Pitcher Partners
Emma Stent	Cor Cordis
WA DIVISION	
Roselina Kruize , Chair	Piper Alderman
Oliver Tompkins , Deputy Chair	Cor Cordis
Jody Richards , Secretary	KordaMentha
Martin Fletcher	Murfett Legal
Amber Kirkbright	McGrathNicol
Georgina Penglis	Clayton Utz
Joshua Robins	Cor Cordis
Isobel Rosenstreich	Allens
Oscar Sheridan	KordaMentha

Leading the way in diversity and inclusion.

ARITA is committed to its leadership role in addressing the widely acknowledged diversity gaps within the restructuring, insolvency and turnaround profession.

We created our Balance Taskforce in 2019 to ensure we provide focused leadership that assists the profession in delivering positive change and evolving to look more like the communities we serve.

As part of this commitment, ARITA engaged a DEI specialist on a part-time basis in 2023 to move the Balance Taskforce's excellent work in building a comprehensive DEI strategy into a delivery phase.

The obvious examples of the Taskforce's work are in the production of regular DEI-themed journal articles and social media information that seeks to provide our profession with guidance and insights. ARITA has worked hard to ensure that our major events also meet our goal of 40/40/20 gender representation.

While it must be noted that ARITA doesn't provide gender quotas for our elected committees and Board, many others meet or come close to our 40/40/20 goals. Most notably, of our elected Board Executive, 75% are women: President, Deputy President and one Vice President.



ARITA Vice President and Balance Taskforce Chair Kathy Sozou, Chief Executive Women CEO Marie Festa, ARITA Deputy President Danielle Funston and ARITA President Rachel Burdett.



Stills from ARITA's highly successful 2023 International Women's Day social media campaign.

ARITA KEY DEI ACTIVITIES

- Journal articles – Feature articles in: Journal 3501 – 'Inspiring women in insolvency: International Women's Day 2023'; Journal 3503 – 'In defence of 4000 hours'; Journal 3504 – 'Flexible work options post pandemic' (Michelle Thomas)
- National Conference – session – Advancing access and equality (Katie Kelly OAM PLY)
- Small Practice Conference – session – What happens when we stop stereotyping people? (Kathy Sozou RITF)
- Expert Series (R&T) – session – ESG: what this means for IPs
- NSW/ACT Division Conference – session – Practical implications for diversity and inclusion in the workplace (Maddison Harrington)
- International Women's day – Video featuring female ARITA members distributed on social media

ARITA DEI STATISTICS

BOARD & DIVISION REPRESENTATION		
	Male/Female	40/40/20 target
Board	7/6 (46%)	2021*
Board Committees		2021*
- AFSA Liaison	3/1 (25%)	
- ASIC Liaison	3/2 (40%)	
- ASIC/AFSA Joint Liaison	3/2 (40%)	
- Finance	3/2 (40%)	
- Membership	3/3 (50%)	
- Professional Conduct	8/2 (20%)	
- Small-Medium Practice (SMP)	10/1 (9%)	
- Technical Working Group	10/5 (33%)	
- Balance Taskforce (Diversity and Inclusion Committee)	3/7 (70%)	
Division Committees		2021*
- NSW/ACT Division	9/5 (38%)	
- Vic/Tas Division	8/6 (43%)	
- Qld Division	11/3 (21%)	
- SA/NT Division	7/2 (22%)	
- WA Division	6/4 (40%)	
* Consider hard target by 2024 if guidelines unsuccessful		
Division Committee Chairs	4 out of 5 are female	
Division Committee Deputy Chairs	2 out of 5 are female	
PUBLICATIONS		
Journal feature articles	33/16 (33%)	2022
Journal profiles	3/1 (25%)	
Case updates	19/33 (63%)	

As at the Annual General Meeting, ARITA's staffing is represented by:

Staff	13 out of 17 are female
Senior Management	6 out of 9 are female

EVENTS		
	Male/Female	40/40/20 target
National Conference	21/14 (40%)	2023
Small Practice Conference	17/11 (39%)	2025
Division Conferences		2024
- NSW/ACT	15/10 (40%)	
- Vic/Tas	15/9 (38%)	
- Qld	11/4 (27%)	
- SA/NT	8/7 (47%)	
- WA	13/5 (28%)	
Expert Series	29/20 (41%)	2023
Online Forums	8/4 (33%)	2023
Division Forums		2024
- NSW/ACT	13/6 (32%)	
- Vic/Tas	5/4 (44%)	
- Qld	4/1 (20%)	
- SA/NT	7/4 (36%)	
- WA	7/2 (22%)	
Young Professionals Forums		2024
- NSW/ACT	2/0 (0%)	
- Vic/Tas	1/3 (75%)	
- Qld	5/2 (29%)	
- WA	1/2 (66%)	
EDUCATION		
Workshop leaders	71/21 (23%)	2025
Course presenters	3/3 (50%)	

Investing in education for a financially sound future.

2023 saw a significant lift in revenue for ARITA, rising over 15% from \$3,921,917 to \$4,538,269. This reflected a return to an operating environment more like it was pre-COVID. Revenue was particularly bolstered by resurgent enrolments in our major courses such as our Advanced Certification.

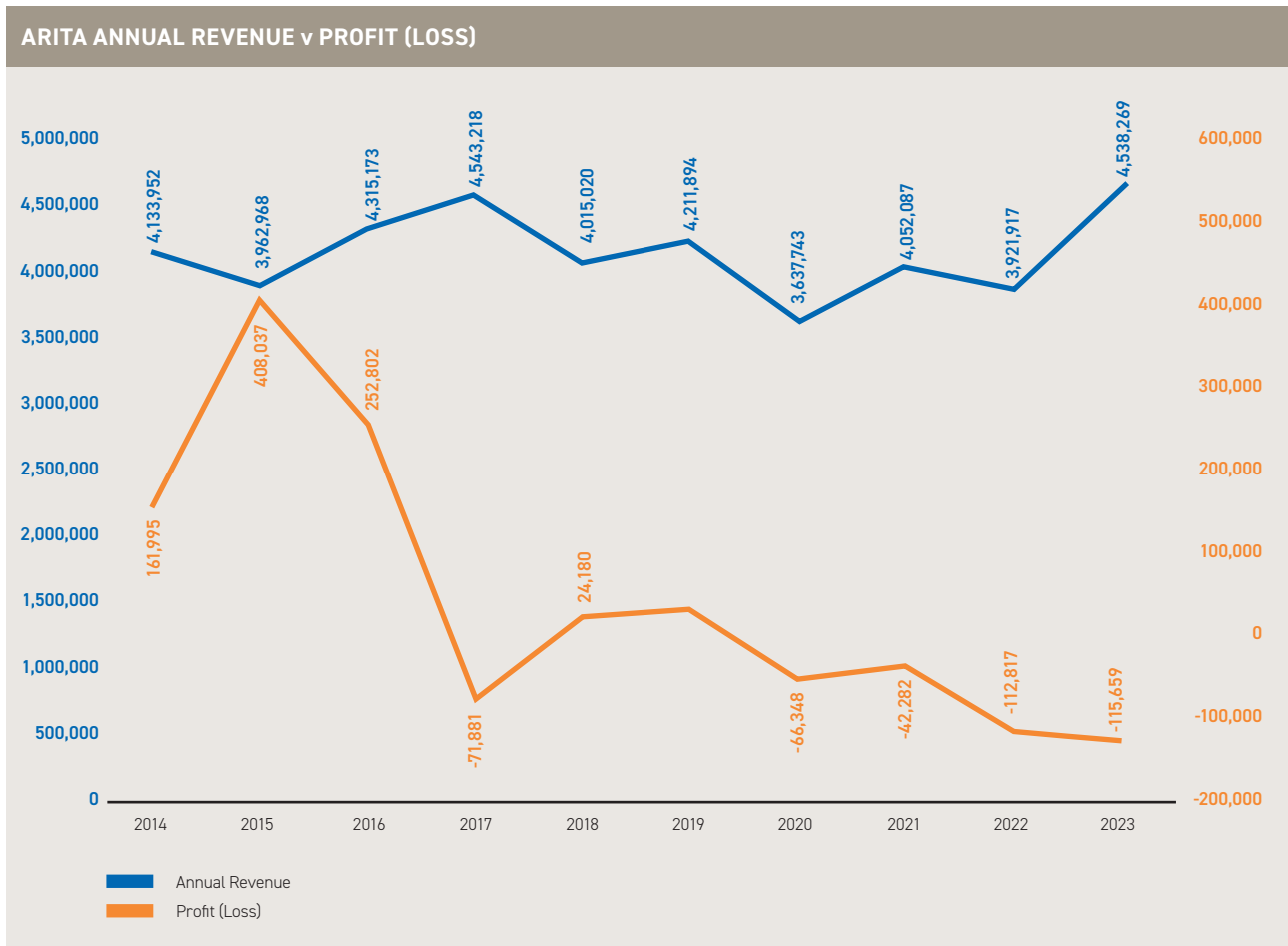
Expenses were significantly up on 2022 levels, also rising just over 15% from \$4,068,725 to \$4,696,094. The rising expenses were directly attributable to our significant investment in transforming our education offering. This

investment is also, in part, reflected in our balance sheet.

ARITA also invested significantly in our advocacy work and, as noted elsewhere in this report, yielded significant success for that investment.

This resulted in a loss of \$115,659 or approximately 2.5% of revenue, which was in line with the Board's budget expectations given our current transformation efforts.

ARITA continues to hold a secure equity position with total equity of \$1,329,551 and current ratio of 1.49.



FINANCIAL STATEMENTS **2023**

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Directors' Report

For the year ended 31 December 2023

The directors present their report on Australian Restructuring Insolvency and Turnaround Association (ARITA) for the financial year ended 31 December 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Name	Position	Appointed/Resigned as a director
Michael Brereton	President until 30 May 2023	Appointed 15 May 2012, Resigned 30 May 2023
Rachel Burdett	Deputy President until 30 May 2023 President from 30 May 2023	Appointed 28 May 2019
Leanne Chesser	Director	Appointed 25 May 2021
Matthew Donnelly	Director	Appointed 30 May 2023
Danielle Funston	Vice President until 30 May 2023 Deputy President from 30 May 2023	Appointed 25 May 2021
Bruce Gleeson	Director	Appointed 28 May 2019
Mathew Gollant	Director	Appointed 25 May 2021
Michael Hayes	Vice President from 30 May 2023	Appointed 28 May 2019
Jason Porter	Director	Appointed 30 May 2018
Kathy Sozou	Vice President from 30 May 2023	Appointed 25 May 2021
Kelly-Anne Trenfield	Director	Appointed 28 May 2019
John Winter	CEO and Company Secretary	Appointed 17 February 2014
Daniel Woodhouse	Vice President until 30 May 2023	Appointed 26 May 2020, Resigned 30 May 2023
Non-director board participant		
Scott Atkins	Immediate Past President until 30 May 2023	
Michael Brereton	Immediate Past President from 30 May 2023	
Robyn Erskine AM	INSOL International Liaison	

Principal activities

The principal activities of the Company during the financial year were the provision of member services including education and training.

Objectives

The Company's short-term and long-term objectives, as outlined in the 'ARITA Strategic Plan' are to:

- BE INVALUABLE AND INDISPENSIBLE
ARITA aims to deliver more value to our members and their firms. We will ensure that member service is at the centre of our focus and we will continue to expand and tailor our member offering.
- SHAPE THE PROFESSION
ARITA aims to shape our profession by leading the diversity and inclusion agenda. We will continue to advocate for our profession. ARITA will also ensure our professional standards are met.
- THRIVE AND FUTURE PROOF
We will ensure that we are a sustainable organisation. We will grow our profession's capability and we will grow our sense of community. We must also contend with many other players offering competitive services to our core activities.

All of ARITA's operational activities are guided by these three pillars.

For the year ended 31 December 2023

Strategies

To achieve its stated objectives, the 'ARITA 2025 Strategic Plan' was developed as a result of intensive facilitated sessions with the Board and senior ARITA staff. The Strategic Plan outlines a framework for progressive improvements that build on the already strong foundations.

Key performance measures

ARITA measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of ARITA and whether the short-term and long-term objectives are being achieved.

Information on directors

The names of each person who has been a director during the year and to the date of this report, their qualifications and special responsibilities are as follows:

Director	Qualifications	Committee and Liaison Responsibilities
Michael Brereton	B.Com, B.Com (Hons), H.Dip Company Law, MBA, RITF, CA Director – William Buck Registered Liquidator – 2005	ASIC Liaison (2022-2023 Chair) ASIC/AFSA Joint Liaison (2022-2023 Chair) Technical Working Group
Rachel Burdett	B.Acc, RITF, CA, GAICD Partner – Cor Cordis Registered Liquidator – 2010	AFSA (Chair) ASIC Liaison (2022-2023 Deputy Chair) (2023-2024 Chair) ASIC/AFSA Joint Liaison (2022-2023 Deputy Chair) (2023-2024 Chair) Diversity and Inclusion (2022-2023 Chair) (2023-2024)
Leanne Chesser VIC/TAS nominee	B.Comm, RITF, CA Partner – KordaMentha Registered Liquidator – 2007	Finance (Deputy Chair) Membership
Matthew Donnelly WA Appointee	B.Ec, RITF, CA Partner – Deloitte Registered Liquidator – 2008	Finance Committee (2023-2024) Membership Committee (2023-2024)
Danielle Funston s 20.3 Appointee	B.Law (Hons), BA (Comms), RITF Partner – Maddocks	Professional Conduct (2022-2023) Membership (Chair)
Bruce Gleeson s 20.3 Appointee	B. Comm, RITF, FCA, FCPA, JP (NSW) Principal – Jones Partners Registered Liquidator – 2002 Registered Trustee – 2003	Professional Conduct (Chair) Small Medium Practice (2022-2023 Chair) (2023-2024) AFSA Liaison ASIC Liaison (2023-2024) ASIC/AFSA Joint Liaison
Mathew Gollant s 20.3 Appointee	BA.Grad Dip Acc, RITF, FCPA Director – CJG Advisory Registered Liquidator – 2009 Registered Trustee – 2011	Diversity and Inclusion Finance (2023-2024) Small Medium Practice (Chair) AFSA Liaison ASIC Liaison (2023-2024) ASIC/AFSA Joint Liaison (2023-2024)
Michael Hayes SA/NT nominee	B. Juris, LLB, M(Com) Law, Graduate Certificate in Insolvency and Restructuring, RITF, GAICD Partner – Piper Alderman	Membership Professional Conduct (Deputy Chair)

Directors' Report *continued*

For the year ended 31 December 2023

Information on Directors *(continued)*

Director	Qualifications	Committee and Liaison Responsibilities
Jason Porter NSW/ACT Appointee	B.Comm, RITF, FCA, JP Partner – SV Partners Registered Liquidator – 2011 Registered Trustee – 2005	AFSA Liaison (Deputy Chair) ASIC Liaison ASIC/AFSA Joint Liaison Membership (2022-2023) (2023-2024 Deputy Chair) Finance
Kathy Sozou s 20.3 Appointee	B.Comm, RITF, CA Partner – McGrathNicol Registered Liquidator – 2018	Diversity and Inclusion (2023-2024 Chair) ASIC Liaison (2023-2024 Deputy Chair) ASIC/AFSA Joint Liaison (2023-2024 Deputy Chair) Finance Professional Conduct (2022-2023)
Kelly-Anne Trenfield Qld Appointee	B.Bus (Acc), RITF, CA, JP (Qld) Snr Managing Director – FTI Consulting Registered Liquidator – 2007 Registered Trustee – 2006	Finance (2022-2023) (2023-2024 Chair) Professional Conduct Membership (2023-2024)
John Winter CEO and Company Secretary	B.Com (Econ & Finance), CAE, GAICD Chief Executive Officer, ARITA since 2014	AFSA Liaison ASIC Liaison ASIC/AFSA Joint Liaison Finance
Daniel Woodhouse	B.Com (Acc), RITF, CA Snr Managing Director – FTI Consulting Registered Liquidator – 2018	ASIC Liaison (2022-2023) Finance (2022-2023 Chair) Membership (Deputy Chair)

Non-director board participant

Scott Atkins Immediate Past President	B.Econ, LLB, RITF ARITA Life Member Fellow – INSOL International; Fellow – Australian Academy of Law Global President – INSOL International Global Chair, Global Co-Head – Restructuring & Insolvency Partner – Norton Rose Fulbright
Robyn Erskine INSOL International Liaison	B.Bus, RITF, FCPA, CA ARITA Life Member Director – INSOL International Partner – Brooke Bird Registered Liquidator – 1992 Registered Trustee – 1992

Note that Committee and Liaison appointments generally rotate at the Board meeting following the AGM (usually held in May). This table represents directors having held an appointment to one of these groups over the annual reporting period. Appointments held before the 2023 AGM have been marked as '2022-2023' and those held only after the 2023 AGM are marked '2023-2024'. Committee appointments with no years specified were held for the entire financial year [2023].

For a period of two years after his or her retirement, a President acts as an advisor to the Board and the Executive and is entitled to attend Board and Executive meetings and receive all information that Directors will receive but does not have any voting rights. Scott Atkins ceased as the Immediate Past President at the May 2023 AGM and was replaced by Michael Brereton.

Members guarantee

ARITA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards any outstanding obligations of the company. At 31 December 2023, the total amount that members of the company are liable to contribute if the company is wound up is \$125,500 (2022: \$126,700) – noting that ARITA amended its Constitution in May 2018, removing the categories of Graduate Member and Student Member. (These former categories are now offered as subscriptions.)

Directors' Report *continued*

For the year ended 31 December 2023

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each director, were:

Directors Meetings		
	Held	Attended
Michael Brereton	2	2
Rachel Burdett	4	4
Leanne Chesser	4	4
Matthew Donnelly	2	2
Danielle Funston	4	4
Bruce Gleeson	4	3
Mathew Gollant	4	4
Michael Hayes	4	4
Jason Porter	4	4
Kathy Sozou	4	4
Kelly-Anne Trenfield	4	4
John Winter	4	4
Daniel Woodhouse	2	1
Non-director board participant		
Scott Atkins	2	1
Michael Brereton	2	2
Robyn Erskine	4	3

Indemnity and insurance of officers

During the financial year, the company has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the company. Officers indemnified include the directors and executive officers participating in the management of the company.

Further disclosure required under s 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

Indemnity and insurance of auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to s 298(2)(a) of the Corporations Act 2001.

On behalf of the directors.



Rachel Burdett
Director
16 April 2024



Danielle Funston
Director
16 April 2024

Auditor's Independence Declaration



Nexia Sydney Audit Pty Ltd
Level 22, 2 Market Street
Sydney NSW 2000
PO Box Q776
QVB NSW 1230
E: info@nexiasydney.com.au
P: +61 2 9251 4600
F: +61 2 9251 7138

nexia.com.au

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To the Board of Directors of Australian Restructuring Insolvency and Turnaround Association

As lead audit director for the audit of the financial statements of Australian Restructuring Insolvency and Turnaround Association for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

Nexia Sydney Audit Pty Ltd

Vishal Modi

Director

Dated 16 April 2024
Sydney

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Liability limited under a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Income			
Advertising and marketing		4,125	8,776
Education and training		1,400,401	931,649
Events management		1,201,012	1,200,484
Interest		43,015	7,594
Membership		1,481,325	1,352,912
Sale of precedents		250,250	210,275
Sponsorship		158,141	185,474
Other income		-	24,753
		4,538,269	3,921,917
Expenditure			
Accounting and auditing fees		(29,577)	(27,285)
Advertising and marketing expenses		(139,555)	(135,174)
Employee expenses		(2,043,647)	(1,854,787)
Education and training expenses		(730,940)	(407,463)
Depreciation and amortisation expense		(202,151)	(200,247)
Events management expenses		(720,412)	(663,622)
Information technology expenses		(114,797)	(82,298)
Membership expenses		(277,185)	(318,683)
Occupancy expenses		34,820	(15,387)
Office and administration expenses		(202,997)	(88,233)
Superannuation		(183,493)	(163,103)
Travel and accommodation		(64,459)	(83,214)
Finance costs	5	(21,701)	(29,229)
Total expenses		(4,696,094)	(4,068,725)
Deficit before income tax benefit		(157,825)	(146,808)
Income tax benefit	6	42,166	33,991
Deficit after income tax benefit for the year		(115,659)	(112,817)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(115,659)	(112,817)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,067,957	2,545,964
Trade and other receivables	8	272,578	179,893
Other assets	9	676,033	457,297
Total current assets		3,016,568	3,183,154
Non-current assets			
Property, plant and equipment	10	48,093	20,475
Right-of-use assets	11	558,149	749,529
Deferred tax assets	6	217,148	174,982
Total non-current assets		823,390	944,986
Total assets		3,839,958	4,128,140
LIABILITIES			
Current liabilities			
Trade and other payables	12	651,522	683,549
Lease liabilities	13	171,971	172,238
Provisions	14	272,081	207,405
Unearned revenue	15	924,832	909,925
Total current liabilities		2,020,406	1,973,117
Non-current liabilities			
Lease liabilities	13	390,305	592,809
Provisions	14	99,696	117,004
Total non-current liabilities		490,001	709,813
Total liabilities		2,510,407	2,682,930
Net assets		1,329,551	1,445,210
EQUITY			
Accumulated funds		1,329,551	1,445,210
Total equity		1,329,551	1,445,210

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

Statement of Changes in Equity

For the year ended 31 December 2023

	Accumulated Funds \$	Total Equity \$
Balance at 1 January 2022	1,558,027	1,558,027
Deficit after income tax benefit for the year	(112,817)	(112,817)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(112,817)	(112,817)
Balance at 31 December 2022	1,445,210	1,445,210
Balance at 1 January 2023	1,445,210	1,445,210
Deficit after income tax benefit for the year	(115,659)	(115,659)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(115,659)	(115,659)
Balance at 31 December 2023	1,329,551	1,329,551

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

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from operations		4,859,224	4,183,516
Payments to suppliers and others		(3,180,485)	(2,169,554)
Payments for employees		(1,936,900)	(1,808,407)
Finance costs		(21,701)	(29,229)
Net cash (used in)/from operating activities	21	(279,862)	176,326
Cash flows from investing activities			
Payments for property, plant and equipment	10	(38,389)	(26,549)
Interest received		43,015	7,594
Net cash from/(used in) investing activities		4,626	(18,955)
Cash flows from financing activities			
Repayment of lease liabilities		(202,771)	(178,888)
Net cash used in financing activities		(202,771)	(178,888)
Net decrease in cash and cash equivalents		(478,007)	(21,517)
Cash and cash equivalents at the beginning of the financial year		2,545,964	2,567,481
Cash and cash equivalents at the end of the financial year	7	2,067,957	2,545,964

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

Notes to the Financial Statements

For the year ended 31 December 2023

NOTE 1. GENERAL INFORMATION

The financial statements are for Australian Restructuring Insolvency and Turnaround Association (the Company) as an individual entity, incorporated and domiciled in Australia. The Company is a not-for-profit company limited by guarantee, incorporated under the Corporations Act 2001.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 January 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 January 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Revenue from contracts with customers

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

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

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Membership revenue

Revenue from membership subscriptions is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Revenue in relation to rendering of services is recognised upon delivery of the service to customers.

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

Income tax

The principle of mutuality applies to the Company's income tax liability, whereby income derived from members is not assessable for income tax. The income tax liability arises in respect of income derived from non-members, less certain allowable deductions.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-allowable items. It is calculated using tax rates that have been enacted or are substantively enacted by reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply to the

period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Financial Instruments

Non-derivative financial assets

The Company 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 Company is recognised as a separate asset or liability.

The Company's non-derivative financial assets are cash and cash equivalents and patient, trade and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less any impairment losses.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company 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 Company 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 Company's non-derivative financial liabilities are trade and other payables. 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.

For the year ended 31 December 2023

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Given the non-for-profit nature of the Company, to the extent that future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining future economic benefits, value-in-use is assessed as the depreciated replacement cost of the asset.

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

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

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

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

Investments and 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.

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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 mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, including capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Fixed asset class	Depreciation rate
Furniture and equipment	13.33%-40%
Leasehold improvements	20.87%
Computer equipment	33.33%

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

For the year ended 31 December 2023

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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

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

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The directors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimate of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Company has determined that it expects most employee benefits to be taken within 24 months of the reporting period in which they were earned and that this change did not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements. The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

	2023 \$	2022 \$
NOTE 4. REVENUE		
Revenue		
Revenue from contracts with customers	4,495,254	3,889,570
Other income	43,015	32,347
	4,538,269	3,921,917
NOTE 5. EXPENSES		
Deficit before income tax includes the following specific expenses:		
Finance costs		
– Interest and finance charges paid/payable on lease liabilities	(21,701)	(29,229)
NOTE 6. INCOME TAX		
Amount recognised in profit or loss		
Income tax expenses		
– Current tax	–	–
Deferred tax expenses		
– Origination and reversal of timing differences and tax losses	(42,166)	(33,991)
Tax benefit for the year	(42,166)	(33,991)
Numerical reconciliation between total tax expense and the product of accounting profit multiplied by the applicable tax rate		
Deficit before income tax benefit	(157,825)	(146,808)
Tax at the statutory tax rate of 25%	(39,456)	(36,702)
Tax effect of:		
– Non-deductible expenses and assessable income	(2,710)	2,711
Income tax benefit	(42,166)	(33,991)
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
– Provisions and accruals	12,318	18,253
– Tax losses	204,830	156,729
Deferred tax asset	217,148	174,982
NOTE 7. CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	300	300
Cash at bank	567,657	2,545,664
Cash on deposit	1,500,000	–
	2,067,957	2,545,964

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

NOTE 8. TRADE AND OTHER RECEIVABLES

Current

	2023 \$	2022 \$
Trade receivables.....	42,900	17,931
Other receivables.....	229,678	161,962
	272,578	179,893

NOTE 9. OTHER ASSETS

Current

Prepayments.....	513,272	294,536
Term deposit – bank guarantee.....	162,761	162,761
	676,033	457,297

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

Non-current

Leasehold improvements – at cost.....	61,424	61,424
Less: Accumulated depreciation.....	(61,424)	(61,424)
	–	–
Fixtures and equipment – at cost.....	93,345	69,506
Less: Accumulated depreciation.....	(62,305)	(57,646)
	31,040	11,860
Computer equipment – at cost.....	88,382	76,132
Less: Accumulated depreciation.....	(71,329)	(67,517)
	17,053	8,615
	48,093	20,475

Reconciliations

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

	Furniture and equipment \$	Computer equipment \$	Total \$
Balance at 1 January 2023.....	11,860	8,615	20,475
Additions.....	24,639	13,750	38,389
Depreciation expense.....	(5,459)	(5,312)	(10,771)
Balance at 31 December 2023.....	31,040	17,053	48,093

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

NOTE 11. RIGHT-OF-USE ASSETS

Non-current assets

	2023 \$	2022 \$
Land and buildings – right-of-use	956,903	956,903
Less: Accumulated depreciation	(398,754)	(207,374)
	558,149	749,529

Reconciliations

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

	Land and building \$	Total \$
Balance at 1 January 2023	749,529	749,529
Depreciation charge for the year	(191,380)	(191,380)
Balance at 31 December 2023	558,149	558,149

NOTE 12. TRADE AND OTHER PAYABLES

Current

	2023 \$	2022 \$
Trade payables	277,041	283,235
GST payable	41,158	52,865
Accrued expenses and other payables	333,323	347,449
	651,522	683,549

NOTE 13. LEASE LIABILITIES

Current liabilities

Lease liability	171,971	172,238
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Non-current liabilities

Lease liability	390,305	592,809
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Future lease payments

Future lease payments are due as follows:

– Not later than one year	171,971	172,238
– Later than one year and not later than five years	390,305	592,809
– Later than five years	–	–
	562,276	765,047

NOTE 14. PROVISIONS

Current

Annual leave	187,979	160,287
Long service leave	84,102	47,118
	272,081	207,405

Non-current

Long service leave	74,696	92,004
Lease make good	25,000	25,000
	99,696	117,004

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

NOTE 15. UNEARNED REVENUE

Current

	2023 \$	2022 \$
Membership subscriptions	890,767	897,919
Education, events and other income in advance	34,065	12,006
	924,832	909,925

NOTE 16. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel is defined by AASB 124 'Related Party Disclosures' as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity.

The aggregate of remuneration made to five (2022: five) key management personnel of the company are as follows:

- Total key management personnel compensation.....	1,115,072	970,259
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NOTE 17. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the company:

Audit services

Audit of the financial statements	20,650	19,500
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NOTE 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets at the end of the financial year.

NOTE 19. RELATED PARTY DISCLOSURE

Key management personnel

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

NOTE 20. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Notes to the Financial Statements *continued*

For the year ended 31 December 2023

	2023 \$	2022 \$
NOTE 21. RECONCILIATION OF DEFICIT AFTER INCOME TAX TO NET CASH (USED IN)/FROM OPERATING ACTIVITIES		
Deficit after income tax benefit for the year	(115,659)	(112,817)
Adjustments for:		
– Depreciation and amortisation	202,151	200,247
– Interest income recognised as investing activity	(43,015)	(7,594)
Change in operating assets and liabilities:		
– Increase in trade and other receivables	(92,685)	(148,989)
– (Increase) in deferred tax assets	(42,166)	(33,991)
– Decrease/(increase) in prepayments and other assets	(218,736)	50,537
– (Decrease)/increase in trade and other payables	(32,027)	219,691
– Increase in employee benefits	47,368	46,380
– (Decrease) in other provisions	–	(75,000)
– Increase in deferred income	14,907	37,862
Net cash (used in)/from operating activities	(279,862)	176,326

NOTE 22. COMPANY DETAILS

The registered office and principal place of business of the company is:
 Australian Restructuring Insolvency and Turnaround Association
 Suite 2, Level 5,
 66 Clarence Street,
 Sydney NSW 2000

Directors' Declaration

For the year ended 31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Rachel Burdett

Director

16 April 2024



Danielle Funston

Director

16 April 2024



Nexia Sydney Audit Pty Ltd

Level 22, 2 Market Street

Sydney NSW 2000

PO Box Q776

QVB NSW 1230

E: info@nexiasydney.com.au

P: +61 2 9251 4600

F: +61 2 9251 7138

nexia.com.au

Independent Auditor's Report to the Members of Australian Restructuring Insolvency and Turnaround Association

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Restructuring Insolvency and Turnaround Association (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

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

- i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information in Australian Restructuring Insolvency and Turnaround Association's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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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 the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

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

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

Auditor's responsibility 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'Nexia'.

Nexia Sydney Audit Pty Ltd

A handwritten signature in blue ink that reads 'Vishal Modi'.

Vishal Modi

Director

Dated: 16 April 2024

Sydney



www.arita.com.au



Suite 2, Level 5
66 Clarence Street
Sydney NSW 2000
T +61 2 8004 4344
E admin@arita.com.au