

Feel The Magic Limited

ABN 36 164 874 266

Annual Report - 31 December 2022

Feel The Magic Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

James Thomas (resigned on 4 April 2022)
Kristy Thomas (appointed on 13 April 2022)
Andrew Hedges
Tahnee Schulz
John Brennan
Sean Preece

Objectives

The objective of the company is to create a community where grieving kids and their families feel supported, empowered, and can begin to move forward with their lives.

The company aim to reduce the mental health challenges associated with childhood grief. Bereaved young people commonly suffer challenges including anxiety, depression and suicidal ideation, which contributes to the nearly one quarter of young people in Australia who experience some form of mental health challenge.

Strategy for achieving the objectives

To achieve the objectives, the company has developed evidence-informed programs and camps. These evidence-informed programs and camps have been developed by a clinical psychologist and are delivered by trained professionals. The company's programs follow a structured psychoeducational framework to increase confidence and self-respect, teaching practical coping strategies to grieve in a healthy & positive way.

Principal activities

During the financial year the principal continuing activities of the company were Children and Youth Charity.

Performance measures

The company measures its performance in both the amount of funds raised and the number of services delivered into the community.

Information on directors

| | |
|---------------------------|---|
| Name: | Andrew Hedges |
| Title: | Non-Executive Chairman |
| Qualifications: | Accountant, GAICD |
| Experience and expertise: | Andy is a visionary, innovative business leader who has an ability to anticipate emerging trends and identify business opportunities. He has a proven ability to engage large and diverse groups of individuals to build high performance teams. Also known as a lateral thinker, he likes to be at the focal point of cultural change in a business. |
| Name: | Kristy Thomas |
| Title: | Non-Executive Director, Founder |
| Qualifications: | Bachelor of Dance Education, Secondary Education and Training |
| Experience and expertise: | Kristy and her husband founded Feel the Magic in 2013, driven by their personal experiences with grief and a mission to make sure no Australian child goes through grief alone. |

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Directors' report
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Name: John Brennan
Title: Non-Executive Director
Qualifications: CA (Australia and Ireland)
Experience and expertise: John brings a wealth of leadership, financial and commercial expertise gained over 30 years in senior financial roles in large multinationals in Australia, USA, Europe and Asia. He is a member of the Institute of Chartered Accountants in Australia and Ireland and trained with KPMG. He is also a member of the Institute of Company Directors. John enjoys the opportunity to give back and has previously trekked to over 5,000 metres in north west India to raise money for Save the Children Fund.

Name: Tahnee Schulz
Title: Non-Executive Director
Qualifications: Psychologist
Experience and expertise: Tahnee is an experienced speaker, psychologist and life performance coach. She is the director of several organisations including her own joint business. Tahnee specialises in mental health, substance use, trauma, high performance executive coaching and organisational psychology. She has experience working in a wide range of settings including educational, forensic, correctional, community, mining and corporate. Tahnee has worked with many large national and international organisations including executive level management at Optus, Cricket Australia, the big 4 banks, Ambulance, Police, Special Operations, AFP and Defence. Her work includes providing clinical governance, risk mitigation, change management, workplace culture, high performance and life coaching, counselling, treatment plans and management support.

Name: Sean Preece
Title: Non-Executive Director
Qualifications: Accounting, Economics
Experience and expertise: Sean has a comprehensive knowledge of business, general management, sales and distribution within the financial services industry. Combined with his strong negotiation skills and long-standing industry relationships. He provides a demonstrable ability to produce superior results. Sean has specialised in the leadership, management and growth of small companies/ divisions into medium to large businesses over his 20 years in the financial services industry.

Company secretary

Adam Blatch has held the role of Company Secretary since March 2021. With over 25 years' experience, he has led organisational transformation, strategy development, governance performance & development, change and people/ culture initiatives in some of Australia's best-known for purpose organisations. Adam holds a Master's Degree in Business Administration (MBA) along with other tertiary qualifications and volunteers as an executive mentor & coach in the sector as well as other volunteer roles.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2022, and the number of meetings attended by each director were:

| | Board of Directors | |
|---------------|--------------------|------|
| | Attended | Held |
| James Thomas | 1 | 1 |
| Kristy Thomas | 2 | 3 |
| Andrew Hedges | 4 | 4 |
| Tahnee Schulz | 1 | 4 |
| John Brennan | 3 | 4 |
| Sean Preece | 4 | 4 |

Held: represents the number of meetings held during the time the director held.

Contributions on winding up

In the event of the company being wound up, ordinary and honorary members are required to contribute.

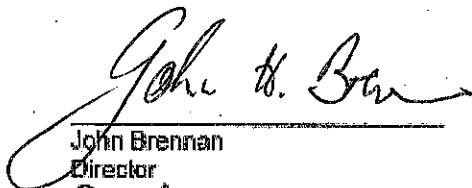
Feel The Magic Limited
Directors' report
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Auditor's Independence declaration

A copy of the auditor's independence declaration as required under section 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 section 296(2)(a) of the Corporations Act 2001.

On behalf of the directors



John Brennan
Director



Andrew Hedges
Director

29 June 2023
Sydney

FEEL THE MAGIC PTY LIMITED

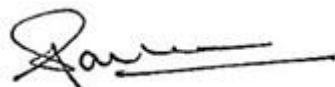
ABN 36 164 874 266

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

In accordance with Section 307C of the *Corporation Act 2001* I declare that, to the best of my knowledge and belief, in relation to the audit of FEEL THE MAGIC PTY LIMITED for the financial year ended 31 December 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* and the Australian Not for Profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Ageis Accounting and Tax Pty Limited



STEPHEN JANKELOWITZ
Director

Dated in Sydney this 29th day of June 2023

Feel The Magic Limited

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31 December 2022

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General information

The financial statements cover Feel The Magic Limited as an individual entity. The financial statements are presented in Australian dollars, which is Feel The Magic Limited's functional and presentation currency.

Feel The Magic Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 12
167 Macquarie Street
Sydney NSW 2000

Principal place of business

7 Holly Place
Pitt Town NSW 2756

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 June 2023. The directors have the power to amend and reissue the financial statements.

Feel The Magic Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|-------------------------|-------------------------|
| Revenue | 2 | 1,663,866 | 1,120,106 |
| Other income | | - | 78,321 |
| Expenses | | | |
| Advertising and promotion | | (225,178) | (96,387) |
| Consulting fees | | (59,273) | (142,138) |
| Event management and program expense | | (121,918) | (109,207) |
| Employee benefits expense | 3 | (738,981) | (626,210) |
| Depreciation expense | 3 | (2,232) | (921) |
| Bad debt expense | | (1,800) | - |
| Fundraising and grant fund expense | | (92,004) | (130,360) |
| Venue hire fees | | (241,842) | (67,435) |
| Research and development | | (61,599) | (37,935) |
| Other expenses | | <u>(234,192)</u> | <u>(269,605)</u> |
| Loss before income tax expense | | (115,153) | (281,771) |
| Income tax expense | | <u>-</u> | <u>-</u> |
| Loss after income tax expense for the year attributable to the members of Feel The Magic Limited | 13 | (115,153) | (281,771) |
| Other comprehensive income for the year, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive loss for the year attributable to the members of Feel The Magic Limited | | <u><u>(115,153)</u></u> | <u><u>(281,771)</u></u> |

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

Feel The Magic Limited
Statement of financial position
As at 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|-----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 233,326 | 470,069 |
| Trade and other receivables | 5 | 29,382 | 13,837 |
| Other assets | 6 | 500 | 6,209 |
| Total current assets | | <u>263,208</u> | <u>490,115</u> |
| Non-current assets | | | |
| Property, plant and equipment | 7 | <u>8,342</u> | <u>8,742</u> |
| Total non-current assets | | 8,342 | 8,742 |
| Total assets | | <u>271,550</u> | <u>498,857</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 148,489 | 82,350 |
| Deferred income | 9 | 110,726 | 319,028 |
| Provisions | 10 | <u>65,347</u> | <u>39,701</u> |
| Total current liabilities | | <u>324,562</u> | <u>441,079</u> |
| Non-current liabilities | | | |
| Provisions | 10 | <u>11,414</u> | <u>7,051</u> |
| Total non-current liabilities | | 11,414 | 7,051 |
| Total liabilities | | <u>335,976</u> | <u>448,130</u> |
| Net (deficits)/ assets | | <u>(64,426)</u> | <u>50,727</u> |
| Equity | | | |
| Members funds | 11 | 10 | 10 |
| (Accumulated loss)/ retained surpluses | 12 | <u>(64,436)</u> | <u>50,717</u> |
| Total equity | | <u>(64,426)</u> | <u>50,727</u> |

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

Feel The Magic Limited
Statement of changes in equity
For the year ended 31 December 2022

| | Note | Members funds \$ | Accumulated losses \$ | Total equity \$ |
|--|------|------------------------|-----------------------------|--------------------|
| Balance at 1 January 2022 | | 10 | 50,717 | 50,727 |
| Share capital issued | | - | - | - |
| Loss after income tax expense for the year | | - | (115,153) | (115,153) |
| Balance at 31 December 2022 | 11 | <u>10</u> | <u>(64,436)</u> | <u>(64,426)</u> |

| | Note | Members funds \$ | Retained profits \$ | Total equity \$ |
|--|------|------------------------|---------------------------|--------------------|
| Balance at 1 January 2021 | | 10 | 332,488 | 332,498 |
| Share capital issued | | - | - | - |
| Loss after income tax expense for the year | | - | (281,771) | (281,771) |
| Balance at 31 December 2021 | 11 | <u>10</u> | <u>50,717</u> | <u>50,727</u> |

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

Feel The Magic Limited
Statement of cash flows
For the year ended 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 1,440,019 | 1,327,228 |
| Payments to suppliers and employees | | <u>(1,674,930)</u> | <u>(1,297,843)</u> |
| Net cash (used in)/ from operating activities | 17 | <u>(234,911)</u> | <u>29,385</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | 7 | <u>(1,832)</u> | <u>(9,663)</u> |
| Net cash used in investing activities | | <u>(1,832)</u> | <u>(9,663)</u> |
| Net increase in cash and cash equivalents | | (236,743) | 19,722 |
| Cash and cash equivalents at the beginning of the financial year | | <u>470,069</u> | <u>450,347</u> |
| Cash and cash equivalents at the end of the financial year | 4 | <u><u>233,326</u></u> | <u><u>470,069</u></u> |

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Feel The Magic Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Feel The Magic Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

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

Revenue recognition

The company recognises revenue as follows:

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.

Fundraising

Fundraisings are recognised when received or receivable.

Donations

Donations are recognised when they are received or when the right to receive payment is established.

Philanthropic

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

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Note 1. Significant accounting policies (continued)

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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.

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

Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment excluding freehold land, is depreciated on a straight-line basis over the assets useful life of the Company, commencing when the asset is ready for use.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

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

Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

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.

Feel The Magic Limited
Notes to the financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

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.

Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of the change in accounting policy.

Going concern

Despite the company making a loss for the year and incurring a net liability position of \$64,426 at year end, the financial report has been prepared on the going concern basis which assumes that the company will be able to meet its commitments, realise its assets, and discharge its liabilities in the ordinary course of business. The Directors believe it is appropriate to prepare these statements on a going concern basis because:

- The Directors expect adequate donation/ funding will be received in support of a going concern basis.
- The Directors have an appropriate plan to contain certain expenditure to match the availability of the fundings.
- Current forecasts have the company recovering this net liability position during the year ended 31 December 2023.

Based on management's assessment above and support of 2023 budget, the financial statements are prepared on a going concern basis.

Note 2. Revenue

| | 2022 | 2021 |
|--|------------------|------------------|
| | \$ | \$ |
| <i>Revenue from contracts with customers</i> | | |
| Fundraising | 680,832 | 449,034 |
| Donations | 569,732 | 221,670 |
| Grants | 298,302 | 383,152 |
| Philanthropic | 115,000 | 66,250 |
| | <u>1,663,866</u> | <u>1,120,106</u> |

Note 3. Expenses

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$ | \$ |
| Loss before income tax includes the following specific expenses: | | |
| <i>Depreciation</i> | | |
| Office equipment | <u>2,232</u> | <u>921</u> |
| <i>Superannuation expense</i> | | |
| superannuation expense | <u>65,717</u> | <u>50,424</u> |

Note 4. Cash and cash equivalents

| | 2022 | 2021 |
|--------------|----------------|----------------|
| | \$ | \$ |
| Cash on hand | 10 | 10 |
| Cash at bank | <u>233,316</u> | <u>470,059</u> |
| | <u>233,326</u> | <u>470,069</u> |

Feel The Magic Limited
Notes to the financial statements
31 December 2022

Note 5. Trade and other receivables

| | 2022 | 2021 |
|-------------------|---------------|---------------|
| | \$ | \$ |
| Trade receivables | 12,535 | 1,480 |
| GST receivable | 16,847 | 12,357 |
| | <u>29,382</u> | <u>13,837</u> |

Note 6. Other assets

| | 2022 | 2021 |
|-------------|-------------|--------------|
| | \$ | \$ |
| Prepayments | 500 | 6,209 |
| | <u>500</u> | <u>6,209</u> |

Note 7. Property, plant and equipment

| | 2022 | 2021 |
|--------------------------------|--------------|--------------|
| | \$ | \$ |
| Plant and equipment - at cost | 4,058 | 4,058 |
| Less: Accumulated depreciation | (4,058) | (4,058) |
| | <u>-</u> | <u>-</u> |
| Office equipment - at cost | 21,395 | 19,563 |
| Less: Accumulated depreciation | (13,053) | (10,821) |
| | <u>8,342</u> | <u>8,742</u> |
| | <u>8,342</u> | <u>8,742</u> |

Reconciliations

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

| | Plant and equipment \$ | Office equipment \$ | Total \$ |
|-----------------------------|------------------------------|---------------------------|--------------|
| Balance at 1 January 2021 | - | - | - |
| Additions | - | 9,663 | 9,663 |
| Depreciation expense | - | (921) | (921) |
| | <u>-</u> | <u>8,742</u> | <u>8,742</u> |
| Balance at 31 December 2021 | - | 8,742 | 8,742 |
| Additions | - | 1,832 | 1,832 |
| Depreciation expense | - | (2,232) | (2,232) |
| | <u>-</u> | <u>8,342</u> | <u>8,342</u> |
| Balance at 31 December 2022 | <u>-</u> | <u>8,342</u> | <u>8,342</u> |

Feel The Magic Limited
Notes to the financial statements
31 December 2022

Note 8. Trade and other payables

| | 2022 | 2021 |
|------------------------------|----------------|---------------|
| | \$ | \$ |
| Trade payables | 96,376 | 30,503 |
| Superannuation payable | 17,690 | 27,600 |
| PAYG withholding tax payable | 33,349 | 24,247 |
| Other payables | 1,074 | - |
| | <u>148,489</u> | <u>82,350</u> |

Note 9. Deferred income

| | 2022 | 2021 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Grants received in advance | 22,408 | 207,309 |
| Provision for unspent grants | 88,318 | 111,719 |
| | <u>110,726</u> | <u>319,028</u> |

Note 10. Provision

| | 2022 | 2021 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| <i>Current</i> | | |
| Provision for annual leave | <u>65,347</u> | <u>39,701</u> |
| <i>Non-current</i> | | |
| Provision for long service leave | <u>11,414</u> | <u>7,051</u> |

Note 11. Members funds

| | 2022 | 2021 |
|-------------------|-------------|-------------|
| | \$ | \$ |
| Members guarantee | <u>10</u> | <u>10</u> |

Note 12. Accumulated losses/ retained surpluses

| | 2022 | 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| Retained surpluses at the beginning of the financial year | 50,717 | 332,488 |
| Losses after income tax expense for the year | <u>(115,153)</u> | <u>(281,771)</u> |
| (Accumulated loss)/ retained surpluses at the end of the financial year | <u>(64,436)</u> | <u>50,717</u> |

Feel The Magic Limited
Notes to the financial statements
31 December 2022

Note 13. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ageis Accounting and Tax Pty Limited, the auditor of the company:

| | 2022 | 2021 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Audit of the financial statements | <u>-</u> | <u>-</u> |

Note 14. Contingent liabilities

The company had no contingent liabilities as at 31 December 2022 and 31 December 2021.

Note 15. Commitments

The company had no commitments for expenditure as at 31 December 2022 and 31 December 2021.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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.

Note 17. Reconciliation of loss after income tax to net cash (used in)/ from operating activities

| | 2022 | 2021 |
|---|------------------|---------------|
| | \$ | \$ |
| Loss after income tax expense for the year | (115,153) | (281,771) |
| Adjustments for: | | |
| Depreciation and amortisation | 2,232 | 921 |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (15,545) | (13,837) |
| (Decrease)/increase in other assets | 5,709 | (3,836) |
| Increase in trade and other payables | 66,139 | 26,799 |
| (Decrease)/ increase in deferred income | (184,901) | 142,638 |
| Increase in provisions | 6,608 | 158,471 |
| Net cash (used in)/ from operating activities | <u>(234,911)</u> | <u>29,385</u> |

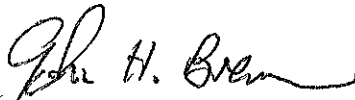
Feel The Magic Limited
Directors' declaration
31 December 2022

In the directors' opinion:

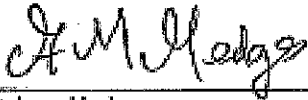
- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Feel The Magic Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, 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 2022 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 subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors



John Brennan
Director



Andrew Hedges
Director

29 June 2023
Sydney

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEEL THE MAGIC LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of FEEL THE MAGIC LIMITED, (the registered entity) which comprises the balance sheet as at 31 December 2022, and statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Div 60 of the Australian Charities and Not-for-profits commission Act 2012 (ACNC Act), including:

- (i) giving a true and fair view of the registered entity's position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Div 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter- Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter- Going Concern

Without qualification to the opinion, attention is drawn to following matter.

As indicated in the notes to the financial statements, the financial report has been prepared on the going concern basis as the directors believe that the company will be able to meet its debts as and when they fall due. Should the matters referred to note 1 "Going Concern" para to the financial statements not eventuate, there is uncertainty whether the company will be to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Responsibilities of 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 registered entity'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.

Auditors' 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 auditors' 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.

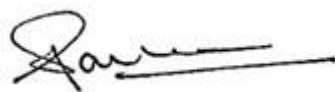
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ageis Accounting and Tax Pty Limited



STEPHEN JANKELOWITZ
Director

Dated in Sydney this 29th June 2023