

Philanthropy Australia

ACN: 070 104 255

Financial Statements

For the Year Ended 31 December 2022

Philanthropy Australia

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Philanthropy Australia

Board Members' Report

31 December 2022

The directors present their report on Philanthropy Australia for the financial year ended 31 December 2022.

General information

Board Members

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

Amanda Miller OAM	
Ann Johnson	Resigned 18 May 2022
Anthony Cavanagh	
Caroline Stewart	Resigned 18 May 2022
Craig Winkler	Resigned 18 May 2022
Jennifer Stephens	Resigned 18 May 2022
John McLeod	
Jon Cheung	
Joseph Skrzynski AO	
Kirsty Allen	
Ling Ang	Appointed 18 May 2022
Lisa George	
Liz Gillies	Appointed 18 May 2022
Maree Sidey	Appointed 18 May 2022
Michael Graf	Appointed 18 May 2022
Stacey Thomas	
Tabitha Lovett	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Philanthropy Australia

Board Members' Report

31 December 2022

Meetings of directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Amanda Miller OAM	5
Ann Johnson	2
Anthony Cavanagh	5
Caroline Stewart	2
Craig Winkler	2
Jennifer Stephens	2
John McLeod	5
Jon Cheung	5
Joseph Skrzynski AO	5
Kirsty Allen	5
Ling Ang	3
Lisa George	5
Liz Gillies	3
Maree Sidey	3
Michael Graf	3
Stacey Thomas	5
Tabitha Lovett	5

Principal activities and significant changes in nature of activities

Vision and Purpose

Philanthropy Australia's vision is for a generous and inclusive Australia.

Our purpose is to inspire more and better philanthropy.

Philanthropy Australia defines Philanthropy as the planned and structured giving of money, time, information, goods and services, voice, and influence to improve the wellbeing of humanity and the community.

We define the philanthropic sector as trusts, foundations, organisations, families, and individuals who engage in philanthropy.

As the peak body we serve a community of funders, grant-makers, social investors and change agents working to achieve positive social, cultural, environmental and community change by leveraging their financial assets and influence.

Philanthropy Australia gives our members a collective voice and ability to influence and shape the future of the sector and advance philanthropy.

Philanthropy Australia's principal activities comprise:

- representing and advocating for the philanthropic sector as the national peak body for philanthropy.
- supporting and enabling an innovative, growing, influential and high performing philanthropic sector in Australia.
- promoting the contribution of philanthropy by growing the understanding of the community, business and government.

Board Members' Report

31 December 2022

Vision and Purpose

- inspiring and supporting new philanthropists.
- increasing the effectiveness of philanthropy through the provision of information, professional development, resources and networking and collaboration opportunities.
- promoting strong and transparent governance standards in the philanthropic sector.
- providing information to those seeking to understand, access or partner with the philanthropic sector.

The organisation works nationally across Australia from locations in Melbourne, Sydney, Adelaide, Brisbane and Perth.

Membership fees, professional development and learning fees, donations, grants and partnerships all contribute to funding Philanthropy Australia.

Strategic Plan

Launched in December 2021, Philanthropy Australia's 2022-2025 Strategic Plan is grouped around five strategic pillars:

- **Engage** a larger and more diverse audience.
- **Inspire** a new wave of giving through stories and campaigns.
- **Foster** better giving through accessible guidance, tools, and information.
- **Advocate** for policy, regulatory and other reform to unlock the potential of giving in Australia.
- **Invest** in our people, processes and systems to create an efficient, effective and sustainable business.

2022 in Summary

2022 has been a big year for philanthropy.

The year commenced as Australia and the rest of the world opened up after two extremely difficult years of the pandemic with its associated lockdowns. The respite was short-lived, however, with the senseless Russian invasion of Ukraine in February resulting in a devastating loss of life and suffering coupled with profound economic disruptions that tragically continue today.

In April, the Coalition Government picked up on the long called for reform to grant DGR status to 28 Community Foundations across Australia that we had championed along with our colleagues at Community Foundations Australia. In May, with the election of a new Labor Federal Government incoming Prime Minister Albanese committed his government to fully implement the Uluru Statement From The Heart. Importantly, the incoming Government also picked up Philanthropy Australia's goal to double structured giving by 2030 and extended it to all giving in Australia. These were a few of many significant policy and advocacy achievements throughout the year. We also welcomed the increased focus on philanthropy led by the Assistant Minister for Competition, Charities and Treasury, Dr Andrew Leigh MP and the announcement of the 2023 Productivity Commission Inquiry into Philanthropy which we will actively promote and contribute to.

At our Annual General Meeting in May we farewelled and thanked outstanding Board directors in Ann Johnson, Craig Winkler, Jenny Stephens and Caroline Stewart as we welcomed in Ling Ang, Liz Gillies, Maree Sidey and Michael Graf.

Based on the feedback we received, our national conference 'For the Love of Humanity: People, Place and Planet' was a resounding success. It provided a wide range of inspiring presentations across the full gamut of philanthropy. Our program of 160 speakers, many of whom were First Nations peoples, attracted more than 800 people in person to the Sydney Convention Centre.

We saw another move forward for philanthropy with the appointment of Sue Woodward AM as Commissioner of Australian Charities and Not-for-Profit Commission (ACNC). Alongside her legal background, Sue's extensive experience in the not-for-profit and philanthropic sectors will serve her well for her tenure.

Philanthropy Australia

Board Members' Report

31 December 2022

2022 in Summary

Our learning and content program delivered a range of informative webinars for our members across a wide range of topics. Our peer networks were strengthened and expanded, with the addition of a network for communications professionals working in our sector.

Towards the end of the year, we launched our inaugural Telescope survey which identified the key trends, issues and opportunities that more than 100 respondents said would shape the giving agenda in 2023. They pointed to 5 big world issues that were top of mind: housing, climate change, the economic downturn, First Nations peoples and systems change.

In late November, we engaged with Labor Senator Patrick Dodson, a Yawuru man from Broome, Western Australia who had been appointed as the Special Envoy for Reconciliation and Implementation of the Uluru Statement from the Heart. In a compelling presentation, the Senator described his experience growing up as a young Aboriginal kid in Western Australia and then discussed the government's process for the referendum on the Voice to parliament and specific roles of the government and wider community, including the progress of the Referendum Working Group and the emerging public debate.

We ended our year with the launch of a new visual identity and a completely redeveloped website. The website is more streamlined and reflective of why people come to our website. It is clean, crisp and straightforward and filled with pictures of the people who do, and benefit, from philanthropy. And we did all this with a growing powerhouse team of passionate and capable staff backed up by a deeply committed Board of Directors.

Key financial and performance results for year-ended 2022

Our membership numbers saw good growth from 2021 to 2022

31 December 2022	2022	2021	2020	2019	2018	2017
Members at year end	818	753	764	726	640	665

Our Philanthropy Champions provide capacity funding to develop our ongoing 'Advancing philanthropy' program with a clear government policy agenda, research and advocacy strategies. In 2022, Philanthropy Champions provided \$385k of capacity funding. This funding also provided stability to the organisation and enabled highly engaged policy and advocacy work for our members and for the wider philanthropic sector.

At the end of 2022, Philanthropy Australia had an unrestricted surplus from normal operations of \$1,901 (FY21 \$123,888), excluding restricted funds tied to future years projects and partnerships. Philanthropy Australia also received funds and made payments relating to our Philanthropy Australia Chapter networks, partnerships and projects tied to specific purposes which resulted in a surplus of \$7,873 in 2022 (FY21 deficit of \$404,442) as funds received in prior years were expended.

Together, they constitute the 2022 end of year surplus position of \$9,774, (FY21 deficit of \$280,554).

We thank everyone who contributed to the substantial achievements and successes of Philanthropy Australia in 2022 – we very much hope that you will continue on the journey with us in the years ahead.

Auditor's independence declaration

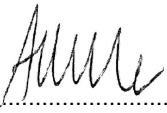
The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2022 has been received and can be found on page 6 of the financial report.


Philanthropy Australia

Board Members' Report

31 December 2022

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

Director: .....
Amanda Miller OAM

Director: .....
Lisa George

Director: .....
Jon Cheung

Dated this 23 day of March 2023

To the Board of Directors of Philanthropy Australia:

Auditor's Independence Declaration under subdivision 60-40 of the Australian Charities and Not-For-Profits Commission Act 2012

As lead audit partner for the audit of the financial statements of Philanthropy Australia for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



Nexia Melbourne Audit Pty Ltd
Chartered Accountants



Andrew Wehrens
Director

Date: 23 March 2023

Advisory. Tax. Audit.

Registered Audit Company 291969

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Philanthropy Australia

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
Member fees	1,317,457	1,233,825
Subscriptions (Online directory)	32,646	33,056
Grants, donations and sponsorships	4 1,695,187	1,494,800
Grants & donations - Collaborations & Chapter Networks	1,634,580	1,887,341
Government grants	-	84,000
PA National Conference Registration	694,159	305,531
Other income	32,422	4,051
Interest income	6,273	5,728
Total Revenue	5,412,724	5,048,332
Events & programs	(446,662)	(149,875)
Marketing & communications	(187,823)	(145,875)
Travel & accomodation	(142,219)	(20,787)
Premises (in-kind) & rent	4 (182,387)	(157,691)
ICT, CRM & digital	(363,734)	(159,672)
Auditors remuneration	(26,006)	(7,200)
Depreciation and amortisation expense	(12,155)	(25,097)
Printing and stationery	(33,464)	(46,579)
Insurance	(15,593)	(12,115)
Employee benefits expense	(2,704,966)	(2,028,547)
HR & culture	(358,193)	(77,962)
Grant donations - collaborations & chapter networks	(910,477)	(2,479,662)
Finance expenses	(19,271)	(17,824)
Total Expenses	(5,402,950)	(5,328,886)
Surplus / (deficit) from continuing operations	9,774	(280,554)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	9,774	(280,554)

The accompanying notes form part of these financial statements.

Philanthropy Australia

Statement of Financial Position

As At 31 December 2022

	2022	2021
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5 2,548,261	3,010,170
Trade and other receivables	6 378,348	291,723
Other financial assets	203,681	203,223
Other assets	8 58,126	96,612
TOTAL CURRENT ASSETS	3,188,416	3,601,728
NON-CURRENT ASSETS		
Property, plant and equipment	7 23,941	20,628
TOTAL NON-CURRENT ASSETS	23,941	20,628
TOTAL ASSETS	3,212,357	3,622,356
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9 278,271	154,791
Employee benefits	11 126,147	138,288
Other financial liabilities	10 456,493	1,009,660
TOTAL CURRENT LIABILITIES	860,911	1,302,739
NON-CURRENT LIABILITIES		
Employee benefits	11 43,807	22,148
Other financial liabilities	10 7,120	6,724
TOTAL NON-CURRENT LIABILITIES	50,927	28,872
TOTAL LIABILITIES	911,838	1,331,611
NET ASSETS	2,300,519	2,290,745
EQUITY		
Reserves	2,290,745	2,571,299
Retained earnings	9,774	(280,554)
TOTAL EQUITY	2,300,519	2,290,745

The accompanying notes form part of these financial statements.

Philanthropy Australia

Statement of Changes in Equity For the Year Ended 31 December 2022

2022

	Restricted Funds Reserve	Unrestricted Reserve	Total
	\$	\$	\$
Balance at 1 January 2022	256,756	2,033,989	2,290,745
Surplus for the year	7,873	1,901	9,774
Transfer to Restricted funds in 2022	29,193	(29,193)	-
Balance at 31 December 2022	293,822	2,006,697	2,300,519

2021

	Restricted Funds Reserve	Unrestricted Reserve	Total
	\$	\$	\$
Balance at 1 January 2021	847,414	1,723,885	2,571,299
Deficit for the year	(404,442)	123,888	(280,554)
Transfer Restricted funds used during 2021	(186,216)	186,216	-
Balance at 31 December 2021	256,756	2,033,989	2,290,745

The accompanying notes form part of these financial statements.

Philanthropy Australia

Statement of Cash Flows

For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members & membership events & programs	1,437,288	1,435,410
Payments to suppliers and employees	(5,219,309)	(5,176,684)
Interest received	6,273	2,866
Receipts from sponsorships, donations and grants received	<u>3,329,765</u>	<u>2,581,124</u>
Net cash provided by/(used in) operating activities	<u>(445,983)</u>	<u>(1,157,284)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net redemption/(placement) of term deposits	(458)	2,003,776
Purchase of property, plant and equipment	<u>(15,468)</u>	<u>(8,344)</u>
Net cash provided by/(used in) investing activities	<u>(15,926)</u>	<u>1,995,432</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(461,909)	838,148
Cash and cash equivalents at beginning of year	<u>3,010,170</u>	<u>2,172,022</u>
Cash and cash equivalents at end of financial year	5 <u><u>2,548,261</u></u>	<u><u>3,010,170</u></u>

The accompanying notes form part of these financial statements.

Philanthropy Australia

Notes to the Financial Statements

For the Year Ended 31 December 2022

The financial report covers Philanthropy Australia as an individual entity. Philanthropy Australia is a not-for-profit Entity, registered and domiciled in Australia.

The functional and presentation currency of Philanthropy Australia is Australian dollars.

The financial report was authorised for issue by the Directors on 23 March 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. Philanthropy Australia is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

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

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

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Membership Fee

The membership fee from members is recognised proportionately over the subscription year as the company fulfils its performance obligation over time. Any balance not earned as income at year-end is recognised as unearned income in liabilities.

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

Contributed assets

The company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amounts.

Operating grants, donations and bequests

When the company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest income

Interest income is recognised using the effective interest method.

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(b) Income tax

The Company is registered with ASIC and the Australian Charities and Not-for-Profit Commission (ACNC) and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

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 asset's useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	33%
Office Equipment	33%
Software Development	33% - 100%

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

(e) Financial instruments

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

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

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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

Classification

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

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

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

Amortised cost

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

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

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

Financial assets through profit or loss

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

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

Impairment of financial assets

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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

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

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

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

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

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

(f) Cash and cash equivalents

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(g) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Company revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

Key estimates - receivables

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

Restricted / Unrestricted funds & equity reserves

Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise grant funding that must be spent in accordance with the terms of the funding agreement and donations and sponsorships where the donor indicates a condition or preference for how the funds should be spent. All other funds are unrestricted in that the Board has the discretion to spend them on purposes for which Philanthropy Australia was established.

The purpose of separately identifying Philanthropy Australia reserves is as follows:

Retained Earnings (Unrestricted Reserves) - The reserve is established for retained earnings, to stabilise short term fluctuations in cashflows to ensure Philanthropy Australia is financially resilient and can continue its strategic objectives uninterrupted. Restricted Funds Reserve – The restricted funds reserve represents unexpended grants, sponsorships and donations allocated to specific purpose initiatives & projects that cross reporting years, which develop the capability and capacity of Philanthropy Australia to Advance Philanthropy.

Philanthropy Australia

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Grants, Donations and Sponsorships

	2022	2021
	\$	\$
Within our Sponsorships, Philanthropy Australia recognises the generous in-kind market values our state office rental as follows;		
- ANZ (Melbourne Office)	100,800	100,800
- The Wyatt Trust (Adelaide Office)	14,400	9,660
- Hand Heart Pocket (Brisbane Office)	15,333	1,278
Total In-Kind Sponsorship	130,533	111,738
- Grants & Donations	1,499,654	1,344,062
- Sponsorships	65,000	39,000
Total grants, donations and sponsorships	1,695,187	1,494,800

5 Cash and Cash Equivalents

Cash on hand	300	300
Bank balances	1,242,977	1,705,629
Short-term deposits	1,304,984	1,304,241
	2,548,261	3,010,170

6 Trade and Other Receivables

CURRENT		
Trade receivables	2,338	145,200
GST receivable	52,415	17,052
Other receivables	323,595	129,471
Total current trade and other receivables	378,348	291,723

Notes to the Financial Statements
For the Year Ended 31 December 2022

7 Property, Plant and Equipment

PLANT AND EQUIPMENT

	2022	2021
	\$	\$
Furniture, fixtures and fittings		
At cost	13,212	13,212
Accumulated depreciation	(13,212)	(13,212)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Office equipment		
At cost	83,125	101,158
Accumulated depreciation	(59,184)	(80,530)
Total office equipment	<u>23,941</u>	<u>20,628</u>
Computer software		
At cost	19,000	19,000
Accumulated depreciation	(19,000)	(19,000)
Total computer software	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u><u>23,941</u></u>	<u><u>20,628</u></u>

(a) Movements in carrying amounts

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

	Furniture, Fixtures and Fittings	Office & IT Equipment	Software & CRM Development	Total
	\$	\$	\$	\$
Year ended 31 December 2022				
Balance at the beginning of year	-	20,628	-	20,628
Additions	-	15,476	-	15,476
Depreciation expense	-	(12,163)	-	(12,163)
Balance at the end of the year	<u>-</u>	<u>23,941</u>	<u>-</u>	<u>23,941</u>

8 Other Non-Financial Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	<u>58,126</u>	<u>96,612</u>

Philanthropy Australia

Notes to the Financial Statements For the Year Ended 31 December 2022

9 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	49,491	96,541
Other payables	228,779	58,251
	<u>278,271</u>	<u>154,791</u>

10 Other Financial Liabilities

CURRENT		
Advance grant, partnership and other program income	-	585,607
Advance membership income	456,493	424,053
Total	<u>456,493</u>	<u>1,009,660</u>
NON-CURRENT		
Advance membership income	<u>7,120</u>	<u>6,724</u>

11 Employee Benefits

CURRENT		
Provision for long service leave	17,067	27,323
Provision for annual leave	109,080	110,965
	<u>126,147</u>	<u>138,288</u>
NON-CURRENT		
Provision for long service leave	<u>43,807</u>	<u>22,148</u>

Philanthropy Australia

Notes to the Financial Statements For the Year Ended 31 December 2022

12 Financial Risk Management

	2022	2021
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	2,548,261	3,010,170
Trade and other receivables	378,348	291,723
Amortised-cost investments (Term Deposits)	203,681	203,223
Total financial assets	3,130,290	3,505,116
Financial liabilities		
Trade and other payables	278,270	154,792
Total financial liabilities	278,270	154,792

13 Key Management Personnel Disclosures

Philanthropy Australia recognises the senior management team (FTE 6.07) as having delegated authority for planning, executing and controlling the entity activities. The total remuneration paid to key management personnel during the year are as follows:

Salaries & benefits	\$ 1,006,153	\$ 699,807
Superannuation	\$ 98,377	\$ 66,940
Total	\$ 1,106,552	\$ 766,747

14 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditors for:		
- auditing and preparation of the financial statements	17,500	7,200
- other services (prior year)	8,506	-
Total	26,006	7,200

15 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021:None).

Notes to the Financial Statements

For the Year Ended 31 December 2022

16 Related Parties

(a) The Company's main related parties are as follows:

Related parties transactions include donation and membership fees paid by Directors and Key Management Personnel. Donation and membership fees have been paid, either directly (personal), or by employer entity & foundation that are controlled or significantly influenced by those key management personnel or their close family members:

Directors - Personal: \$35,755

Directors through employer entity & foundation: \$315,287

KMP - Personal: \$30,400

Key management personnel - refer to Note 13.

17 Events After the End of the Reporting Period

The financial report was authorised for issue on 22 March 2023 by the Directors.

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

18 Statutory Information

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

Philanthropy Australia Ltd
Level 2, 55 Collins Street
MELBOURNE VIC 3000


Philanthropy Australia

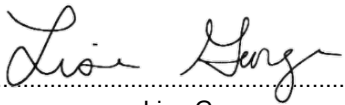
Directors' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director

Amanda Miller OAM

Director

Lisa George

Director

Jon Cheung

Dated 23 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHILANTHROPY AUSTRALIA LTD

Report on the Financial Report

Opinion

We have audited the financial report of Philanthropy Australia (the Company), which comprises the statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies, other explanatory notes and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards - Simplified Disclosure Requirements and Division 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 '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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 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.

Advisory. Tax. Audit.

Registered Audit Company 291969

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHILANTHROPY AUSTRALIA (cont.)

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.

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Nexia Melbourne Audit Pty Ltd
Chartered Accountants**



**Andrew Wehrens
Director**

Date: 23 March 2023