

# Philanthropy Australia Ltd

ACN: 070 104 255

## Financial Statements

For the Year Ended 31 December 2023

# Philanthropy Australia Ltd

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For the Year Ended 31 December 2023

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## Philanthropy Australia Ltd

# Board Members' Report

31 December 2023

The directors present their report on Philanthropy Australia Ltd for the financial year ended 31 December 2023.

### 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:

Alexandra Dimos	Appointed 24 May 2023
Amanda Miller OAM	
Anthony Cavanagh	Resigned 13 June 2023
John McLeod	
Jon Cheung	Resigned 24 May 2023
Joseph Skrzynski AO	Resigned 18 May 2023
Kirsty Allen	
Kristen Stevenson	Appointed 24 May 2023
Ling Ang	Resigned 16 June 2023
Lisa George	
Liz Gillies	
Maree Sidey	
Michael Graf	
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 Ltd 2023

### Board Members' Report

31 December 2023

#### Meetings of directors

During the financial year, 6 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
Alexandra Dimos	3	3
Amanda Miller OAM	5	5
Anthony Cavanagh	2	1
John McLeod	5	5
Jon Cheung	2	2
Joseph Skrzynski AO	2	1
Kirsty Allen	5	5
Kristen Stevenson	3	3
Ling Ang	2	-
Lisa George	5	5
Liz Gillies	5	5
Maree Sidey	5	5
Michael Graf	5	4
Stacey Thomas	5	5
Tabitha Lovett	5	4

#### 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 Ltd 2023 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 Ltd 2023 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 2023

### 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.

### 2023 in Summary

In 2023 Philanthropy Australia made substantial strides in our quest to inspire more and better philanthropy.

The year commenced with the distribution of the results of our inaugural Better Philanthropy Telescope report. The report collated and synthesised the more than 100 responses received to our Telescope survey about the issues that would shape the giving agenda in 2023. We highlighted the five big world issues that were top of mind for respondents: housing, climate change, the economic downturn, First Nations peoples and systems change.

There was considerable activity during the year in the lead up to the referendum to alter the Constitution to recognise the First Peoples of Australia by establishing an Aboriginal and Torres Strait Islander Voice. In line with our public policy statement policy, we consulted and surveyed our membership in which an overwhelming number of respondents told us Philanthropy Australia should support YES or make a statement as it sees appropriate. The statement was issued on 5 April 2023. History records that the Referendum was not passed.

At our Annual General Meeting in May, we farewelled and thanked outstanding Board directors Joseph Skrzynski AO and Jon Cheung as we welcomed new Board directors Alex Dimos and Kristen Stevenson. Amanda Miller OAM and Kirsty Allen were re-elected to the Board.

The Productivity Commission (PC) launched its inquiry into philanthropy this year. Our policy and government relations program worked diligently to canvas member views about the inquiry's terms of reference and to research and write the Philanthropy Australia submission to the inquiry, which was submitted to the PC in early May 2023. National polling revealed very strong support across the community for the key elements in Philanthropy Australia's submission. In December the PC released its draft report, with responses to this due in early February 2024 ahead of the PC final report to Government in May 2024.

An undoubted highlight of the year was our Philanthropy Meets Parliament Summit 2023, held at Parliament House, Canberra in October. Registrations sold out well ahead of the event and we received much positive feedback. The audience

## Philanthropy Australia Ltd

# Board Members' Report

31 December 2023

of 280 stakeholders saw presentations and panels across the topics of our government relations and advocacy work. One session of note brought together parliamentarians from across the parties and independents for a broad ranging and collaborative discussion of the double giving agenda. At the Summit, we launched a commissioned report of economic modelling on the huge potential of super bequests, and a compilation of 33 inspiring stories of giving. The Summit concluded with a powerful and inspiring reflection on the outcome of the Referendum.

In addition to our Summit and planning for the 2024 Philanthropy Australia National Conference, to be held in Adelaide, our learning and content program delivered a number of informative webinars and events for our members across a wide range of topics. Highlights include (by are not limited to) the launches of the Gender Compass (in partnership with Plan International and Australians Investing in Women) and the Climate Lens (in partnership with the Australian Environmental Grantmakers Network AEGN).

In late 2023 we provided a submission to the Federal Government's Charity Blueprint process. The submission outlined seven of the top priority reforms sought by the philanthropic sector.

In early December, we celebrated the 400<sup>th</sup> edition of our ebulletin for members and friends – Philanthropy Weekly. Subscriptions to Philanthropy Weekly continued to grow, as did engagement with the news and stories.

We ended the year with the announcement that our CEO Jack Heath had decided to finish up as CEO in March 2024. We thank Jack for the significant contribution he has made to Philanthropy Australia over the past three years including: leading the development of our 2022-25 Strategic Plan and securing strategic partners to deliver on the plan; year on year membership growth; helping to put philanthropy on the Federal Government agenda with the Government's adoption of Philanthropy Australia's goal to double giving by 2030 as outlined in our philanthropy blueprint; helping to secure DGR1 for Community Foundations; completing our first Reconciliation Action Plan and supporting the establishment of the First Nations Governance Committee; significantly advancing our advocacy/policy agenda; and delivering two excellent Conferences and a Philanthropy Meets Parliament Summit.

### Key financial and performance results for year-ended 2023

Our membership numbers saw modest growth from 2022 to 2023

31 December 2023	2023	2022	2021	2020	2019	2018	2017
Members at year end	852	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 2023, Philanthropy Champions provided \$365k 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. Additional funding of \$410k was provided by State based Champions to support state-based activities.

At the end of 2023, Philanthropy Australia had an unrestricted surplus from normal operations of \$310,081 (FY22 \$1,901), 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 deficit of \$177,698) in 2022 (FY22 surplus of \$7,873) as funds received in prior years were expended.

Together, they constitute the 2023 end of year surplus position of \$132,383, (FY22 of \$9,774).

We thank everyone who contributed to the substantial achievements and successes of Philanthropy Australia in 2023 – we very much hope that you will continue on the journey with us in the years ahead.

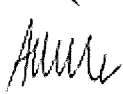
### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2023 has been received and can be found on page 6 of the financial report.

**Philanthropy Australia Ltd 2023**

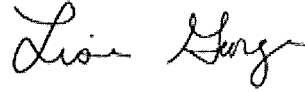
**Board Members' Report  
31 December 2023**

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



Director: .....

Amanda Miller OAM, Co-Chair



Director: .....

Lisa George, Co-Chair



Director: .....

Michael Graf, Chair Finance Audit Risk & Compliance  
Committee

Dated this 28th day of March 2024

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 2023, 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.



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**Nexia Melbourne Audit Pty Ltd**  
**Chartered Accountants**



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**Andrew Wehrens**  
**Director**

Date: 28 March 2024

**Advisory. Tax. Audit.**

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Registered Audit Company 291969

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Philanthropy Australia Ltd

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2023**

	2023	2022
Note	\$	\$
Member fees	1,314,601	1,317,457
Subscriptions (Online directory)	(300)	32,646
Workshop and study tour fees	49,613	-
Grants, donations and sponsorships	4 3,265,204	1,695,187
Grants & donations - Collaborations & Chapter Networks	933,983	1,634,580
PA Event Registration	222,516	694,159
Other income	4,024	32,422
Finance income	51,663	6,273
<b>Total Revenue</b>	<b>5,841,304</b>	<b>5,412,724</b>
Events & programs	(197,402)	(446,662)
Marketing & communications	(156,809)	(187,823)
Travel & accommodation	(155,996)	(142,219)
Premise (in-kind) & rent	(172,749)	(182,387)
ICT, CRM & digital	(226,384)	(363,734)
Auditors remuneration	(10,950)	(26,006)
Depreciation and amortisation expense	(61,782)	(12,155)
Printing and stationery	(50,986)	(33,464)
Insurance	(16,248)	(15,593)
Legal costs	(8,182)	-
Employee benefits expense	(3,500,638)	(2,704,966)
HR & culture	(142,919)	(358,193)
Grant donations - collaboration & chapter networks	(986,852)	(910,477)
Finance expenses	(21,024)	(19,271)
<b>Total Expenses</b>	<b>(5,708,921)</b>	<b>(5,402,950)</b>
<b>Surplus / (deficit) from continuing operations</b>	<b>132,383</b>	<b>9,774</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>132,383</b>	<b>9,774</b>

The accompanying notes form part of these financial statements.

Philanthropy Australia Ltd

**Statement of Financial Position**

As At 31 December 2023

	2023	2022
Note	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	5 3,071,981	2,548,261
Trade and other receivables	6 124,288	378,348
Other financial assets - term deposits	275,897	203,681
Other assets	8 78,714	58,126
<b>TOTAL CURRENT ASSETS</b>	<b>3,550,880</b>	<b>3,188,416</b>
NON-CURRENT ASSETS		
Property, plant and equipment	7 21,873	23,941
Right-of-use assets	9 391,768	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>413,641</b>	<b>23,941</b>
<b>TOTAL ASSETS</b>	<b>3,964,521</b>	<b>3,212,357</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	10 118,437	278,271
Lease liabilities	9 93,862	-
Employee benefits	12 115,075	126,147
Other financial liabilities	11 875,982	456,493
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,203,356</b>	<b>860,911</b>
NON-CURRENT LIABILITIES		
Lease liabilities	9 307,279	-
Employee benefits	12 20,984	43,807
Other financial liabilities	11 -	7,120
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>328,263</b>	<b>50,927</b>
<b>TOTAL LIABILITIES</b>	<b>1,531,619</b>	<b>911,838</b>
<b>NET ASSETS</b>	<b>2,432,902</b>	<b>2,300,519</b>
<b>EQUITY</b>		
Reserves	2,300,519	2,290,745
Retained earnings	132,383	9,774
<b>TOTAL EQUITY</b>	<b>2,432,902</b>	<b>2,300,519</b>

The accompanying notes form part of these financial statements.

Philanthropy Australia Ltd

**Statement of Changes in Equity**  
For the Year Ended 31 December 2023

2023

Balance at 1 January 2023  
Surplus for the year  
Transfer Restricted funds during 2023  
Balance at 31 December 2023

	Restricted Funds Reserve	Unrestricted Reserve	Total
	\$	\$	\$
	293,822	2,006,697	2,300,519
	(177,698)	310,081	132,383
	34,295	(34,295)	-
	150,419	2,282,483	2,432,902

2022

Balance at 1 January 2022  
Deficit for the year  
Transfer Restricted funds used during 2022  
Balance at 31 December 2022

	Restricted Funds Reserve	Unrestricted Reserve	Total
	\$	\$	\$
	256,756	2,033,989	2,290,745
	7,873	1,901	9,774
	29,193	(29,193)	-
	293,822	2,006,697	2,300,519

The accompanying notes form part of these financial statements.

## Philanthropy Australia Ltd

### Statement of Cash Flows

For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members & membership events & programs	2,256,883	1,437,288
Payments to suppliers and employees	(5,850,002)	(5,219,309)
Receipts from sponsorships, donations and grants received	4,199,187	3,329,765
Interest received	51,663	6,273
Net cash provided by / (used in) operating activities	<u>657,731</u>	<u>(445,983)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(14,160)	(15,468)
Net redemption / (placement) of term deposits	(72,215)	(458)
Net cash provided by / (used in) investing activities	<u>(86,375)</u>	<u>(15,926)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of leases	(47,635)	-
Net cash provided by / (used in) financing activities	<u>(47,635)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents held	523,721	(461,909)
Cash and cash equivalents at beginning of year	2,548,261	3,010,170
Cash and cash equivalents at end of financial year	5 <u>3,071,982</u>	<u>2,548,261</u>

The accompanying notes form part of these financial statements.

## Philanthropy Australia Ltd

# Notes to the Financial Statements

For the Year Ended 31 December 2023

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

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

The financial report was authorised for issue by the Directors on 28 March 2024.

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 *Corporations Act 2001*. 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 2023

### 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 2023

### 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Furniture, Fixtures and Fittings	33%
Office Equipment	33%
Computer Software	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.

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

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

#### Financial assets

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

#### *Classification*

On initial recognition, the 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:



## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Financial assets

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

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the 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 and contract assets*

Impairment of trade receivables and contract assets 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2 Summary of Significant Accounting Policies

#### (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.

#### (g) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2 Summary of Significant Accounting Policies

#### (h) 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 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 2023

### 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 4 Grants, Donations and Sponsorships

	2023	2022
	\$	\$
Within our Sponsorships, Philanthropy Australia recognises the generous in-kind market values our state office rental as follows;		
- ANZ (Melbourne Office)	58,800	100,800
- The Wyatt Trust (Adelaide Office)	14,400	14,400
- Hand Heart Pocket (Brisbane Office)	15,336	15,333
<b>Total In-Kind Sponsorship</b>	<b>88,536</b>	<b>130,533</b>
- Grants & Donations	3,166,668	1,499,654
- Sponsorships	10,000	65,000
<b>Total grants, donations and sponsorships</b>	<b>3,265,204</b>	<b>1,695,187</b>

### 5 Cash and Cash Equivalents

Cash on hand	-	300
Bank balances	1,758,470	1,242,977
Short-term deposits	1,313,511	1,304,984
<b>Total cash and cash equivalents</b>	<b>3,071,981</b>	<b>2,548,261</b>

### 6 Trade and Other Receivables

<b>CURRENT</b>		
Trade receivables	60,021	2,338
GST receivable	53,352	52,415
Other receivables	10,915	323,595
<b>Total current trade and other receivables</b>	<b>124,288</b>	<b>378,348</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 7 Property, Plant and Equipment

#### PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Furniture, fixtures and fittings		
At cost	20,382	13,212
Accumulated depreciation	(13,925)	(13,212)
Total furniture, fixtures and fittings	<u>6,457</u>	<u>-</u>
Office equipment		
At cost	90,115	83,125
Accumulated depreciation	(74,699)	(59,184)
Total office equipment	<u>15,416</u>	<u>23,941</u>
Computer software		
At cost	19,000	19,000
Accumulated depreciation	(19,000)	(19,000)
Total computer software	<u>-</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<b><u>21,873</u></b>	<b><u>23,941</u></b>

#### (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
	\$	\$	\$	\$
<b>Year ended 31 December 2023</b>				
Balance at the beginning of year	-	23,941	-	23,941
Additions	7,170	6,990	-	14,160
Depreciation expense	(712)	(15,516)	-	(16,228)
<b>Balance at the end of the year</b>	<b><u>6,458</u></b>	<b><u>15,415</u></b>	<b><u>-</u></b>	<b><u>21,873</u></b>

### 8 Other Non-Financial Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	<u>78,714</u>	<u>58,126</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 9 Leases

#### Company as a lessee

The Company has a lease over the head office premises located in Victoria, Melbourne. The lease term is 4 years increasing by a fixed rate of 3.75% each year.

#### Right-of-use assets

	Buildings \$	Total \$
<b>Year ended 31 December 2023</b>		
Balance at beginning of year	-	-
Depreciation charge	(45,554)	(45,554)
Additions to right-of-use assets	437,322	437,322
<b>Balance at end of year</b>	<b>391,768</b>	<b>391,768</b>

#### Lease liabilities

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

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2023</b>					
Lease liabilities	117,227	335,289	-	452,516	401,141

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2023 \$	2022 \$
Interest expense on lease liabilities	11,454	-
Depreciation of right-of-use assets	45,554	-
	<b>57,008</b>	<b>-</b>

#### Statement of Cash Flows

Total cash outflow for leases	<b>47,635</b>	<b>-</b>
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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	26,399	49,491
Other payables	92,038	228,779
	<u>118,437</u>	<u>278,271</u>

### 11 Other Financial Liabilities

CURRENT		
Advance grant, partnership and other program income	11(a) 402,000	-
Advance membership income	473,982	456,493
<b>Total</b>	<u>875,982</u>	<u>456,493</u>
NON-CURRENT		
Other deferred income	-	7,120

11(a) Advance grant, partnership and other program income 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.

### 12 Employee Benefits

CURRENT		
Long service leave	12,891	17,067
Provision for employee benefits	102,184	109,080
	<u>115,075</u>	<u>126,147</u>
NON-CURRENT		
Long service leave	<u>20,984</u>	<u>43,807</u>



## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 13 Financial Risk Management

	2023	2022
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	3,071,981	2,548,261
Trade and other receivables	124,288	378,348
Amortised-cost investments (Term Deposits)	<u>275,897</u>	<u>203,681</u>
<b>Total financial assets</b>	<u>3,472,166</u>	<u>3,130,290</u>
<b>Financial liabilities</b>		
Trade and other payables	<u>118,437</u>	<u>278,270</u>
<b>Total financial liabilities</b>	<u>118,437</u>	<u>278,270</u>

### 14 Key Management Personnel Disclosures

Philanthropy Australia recognises the senior management team (FTE 4.63) 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	927,028	1,006,153
Superannuation	<u>98,625</u>	<u>98,377</u>
Total	<u>1,025,653</u>	<u>1,104,530</u>

### 15 Auditors' Remuneration

Remuneration of the auditors for:

- auditing or reviewing the financial statements	16,500	15,000
- assistance with the preparation of the financial statements	2,950	2,500
- other services (prior year)	-	8,506
<b>Total</b>	<u>19,450</u>	<u>26,006</u>

### 16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (31 December 2022: None).

## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 17 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: \$23,660

Directors through employer entity & foundation: \$168,200

KMP - Personal: \$8,740

Key management personnel - refer to Note 14.

### 18 Events After the End of the Reporting Period

The financial report was authorised for issue on 28 March 2024 by the Board of 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.

### 19 Statutory Information

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

Philanthropy Australia Ltd  
14 / 90 Collins Street  
MELBOURNE VIC 3000

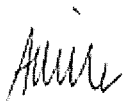
# Philanthropy Australia Ltd 2023

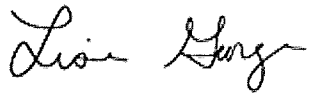
## Directors' Declaration

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 Regulations 2022*.

Director .....  
  
Amanda Miller, Co-Chair

Director .....  
  
Lisa George, Co-Chair

Director .....  
  
Michael Graf, Chair Finance Audit Risk & Compliance  
Committee

Dated 28 March 2024

## **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 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 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 2023 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 Regulations 2022.

#### **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.**

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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: 28 March 2024