Philanthropy Australia Ltd

ACN: 070 104 255

Financial Statements

For the Year Ended - 31 December 2024

Philanthropy Australia Ltd
ACN: 070 104 255
Contents
31 December 2024

General information

The financial statements cover Philanthropy Australia Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Philanthropy Australia Ltd's functional and presentation currency.

Philanthropy Australia Ltd is a not-for-profit Company, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Philanthropy Australia Ltd
14 / 90 Collins Street
MELBOURNE VIC 3000

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

The financial statements were authorised for issue on 26 March 2025.

Philanthropy Australia Ltd
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Board Members' report
31 December 2024

The directors present their report, together with the financial statements, on the Company for the year ended 31 December 2024.

Board Members

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

Alexandra Dimos	
Amanda Miller OAM	
Brian Wyborn	Appointed 22 May 2024
Georgina Byron	Appointed 22 May 2024
Jo Taylor	Appointed 22 May 2024
John McLeod	
Kirsty Allen	
Kristen Stevenson	
Lisa George	
Liz Gillies	
Maree Sidey	Resigned 5 February 2024
Michael Graf	
Stacey Thomas	
Tabitha Lovett	Resigned 22 May 2024
Tyson Feng	Appointed 22 May 2024

Meetings of directors

During the financial year, 4 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	4	4
Amanda Miller OAM	4	4
Brian Wyborn	3	2
Georgina Byron	3	3
Jo Taylor	3	3
John McLeod	4	4
Kirsty Allen	4	4
Kristen Stevenson	4	4
Lisa George	4	4
Liz Gillies	4	4
Maree Sidey	-	-
Michael Graf	4	4
Stacey Thomas	4	4
Tabitha Lovett	1	1
Tyson Feng	3	3

Philanthropy Australia Ltd
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Board Members' report
31 December 2024

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.

During the financial year the principal continuing activities of the Company consisted of:
- 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.
- 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.

2024 in summary
In looking back on 2024, we reflect on the year as one of considerable domestic and global challenges. Concerning issues such as rising inequality, escalating climate disaster and regional conflicts are having significant implications here in Australia.

On the positive side, philanthropy is working together more than ever, with the Investment Dialogue for Australia's Children (IDAC), Partnerships for Local Action and Community Empowerment (PLACE) and the She Gives campaign all great examples of collaboration in action. In the community foundations space, we have seen wonderful growth in the number of new community foundations and important legislative change to support this growth.

An absolute highlight of the year was the record-breaking Philanthropy Australia Conference in Adelaide, themed 'Shifting Perspectives, Shifting Practice' from 5-7 August. The conference was sold out, with more than 1,000 people in attendance. The Premier of South Australia, the Hon Peter Malinauskas MP opened proceedings and welcomed registrants to Adelaide. In addition to the conference proper there was a masterclasses day and many side events and activities. We give particular thanks to the SA Conference Leadership Group for their strategic guidance, input and support which helped ensure our most successful conference to date.

In March, we farewelled CEO Jack Heath AM. Jack became a Member of the Order of Australia (AM) in the Australia Day Honours 2024 "for significant service to community health and to social welfare". We thank Jack for the significant contribution he made to Philanthropy Australia over 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.

In April, we held the 2024 Australian Philanthropy Awards showcase evening in Sydney, which was a sold-out event. We were delighted with the engagement by the not-for-profit and philanthropic sectors in the awards, with a doubling of nominations compared to the previous awards. Our sincere thanks to all those who spent time preparing their entries, to our independent judging panels and to our award partners.

The 2024 Philanthropy Australia Annual General Meeting in May saw the appointment of four new Board directors – Georgina Byron AM, Brian Wyborn, Jo Taylor and Tyson Feng – while we farewelled Tabitha Lovett and thanked her for her extensive Board service.

Also in May, we announced a new major strategic partnership with Minderoo Foundation, a systems-led philanthropic organisation based in Perth. Minderoo Foundation joined Philanthropy Australia's existing strategic partners: Paul Ramsay Foundation, Perpetual, Equity Trustees, Lord Mayor's Charitable Foundation, the Snow Foundation and an anonymous philanthropic organisation.

In June, the Philanthropy Australia Board and staff team welcomed Maree Sidey as the new CEO. Maree joined Philanthropy Australia after nine successful years as CEO of Australian Communities Foundation (ACF), Australia's only nationally focused community foundation. Maree commenced her tenure with "meet the CEO" events in state capitals and several events in Brisbane for Queensland Philanthropy Week.

It was a busy year for our policy advocacy work. In July we welcomed the tabling in Parliament of the final report of the Productivity Commission's 'once in a generation' philanthropy inquiry, Future Foundations for Giving. In early December, we also welcomed the Assistant Minister for Charities, the Hon Andrew Leigh MP, announcement of a number of changes flowing from recommendations in the final report.

Also in early December, we lodged our final submission in response to draft ministerial guidelines for a new DGR category for 'community charities'. The Guidelines are the final component necessary before the new DGR category can commence. Secured through the advocacy of Philanthropy Australia, Community Foundations Australia and our members and partners, this significant reform will make it easier for community foundations to receive funds, including from private ancillary funds, and to facilitate granting to organisations and groups without DGR status.

In November, a group of Philanthropy Australia members completed an enriching study tour in the UK. The members had a full itinerary, with sessions with more than 40 speakers from 20+ organisations sharing best practice and deep understanding of the many ways philanthropy is making a difference today.

In late 2024 we restructured the organisation to create four business units led by an Executive team: Policy Research and Sector Development, Practice and Partnerships, Membership and Engagement and Business Services.

Throughout the year, we delivered a broad program of learning through workshops and webinars held both online and in-person. In addition, our more than 10 peer networks met regularly for collaboration and learning across topics such as affordable housing, the arts and First Nations-focused philanthropy.

We thank our strategic funders, champions, members, Board, staff and other stakeholders for being part of the story of philanthropy this year and for elevating philanthropy's impact in Australia. Collectively, we have strengthened the sector, helped address Australia's most pressing issues, influenced government policy, enhanced practice and boosted the philanthropic ecosystem.

Key financial and performance results for year-ended 2024
Our membership numbers saw modest growth from 2023 to 2024.

31 December 2024	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Members at year end	920	**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 2024, Philanthropy Champions provided $370,163 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 $153,215 was provided by State based Champions to support state-based activities.

At the end of 2024, Philanthropy Australia had an unrestricted surplus from normal operations of $430,778 (2023: $310,081), 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 $89,087 in 2024 (2023: deficit of $177,698) as funds received in prior years were expended.

Together, they constitute the 2024 end of year surplus position of $341,691 (2023: surplus of $132,383).

We thank everyone who contributed to the substantial achievements and successes of Philanthropy Australia in 2024 – 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 2024 has been received and can be found on page 6 of the financial report.

On behalf of the directors

Amanda Miller OAM, Co-Chair Director	Lisa George, Co-Chair Director	Michael Graf, Chair Finance Audit Risk & Compliance Committee Director

26 March 2025

Nexia Australia

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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 2024, 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

Nexia Melbourne Audit Pty Ltd
Chartered Accountants

A Wehrens

Andrew Wehrens
Director

Date: 26th March 2025

Registered Audit Company 291969

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Philanthropy Australia Ltd
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Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	2024 $	2023 $
Revenue			
Member fees		1,550,915	1,314,601
Subscriptions (online directory)		-	(300)
Workshop and study tour fees		63,127	49,613
Grants, donations and sponsorships	3	3,533,427	3,265,204
Grants & donations - collaborations & chapter networks		1,074,376	933,983
PA event registration		1,470,837	222,516
Other income		7,188	4,024
Finance income		73,051	51,663
Total revenue		7,772,921	5,841,304
Expenses			
Events & programs		(745,278)	(197,401)
Marketing & communications		(201,219)	(156,809)
Travel & accommodation		(233,892)	(155,997)
Premise (in-kind) & rent		(191,404)	(172,749)
ICT, CRM & digital		(294,045)	(226,384)
Auditors remuneration		(20,500)	(10,950)
Depreciation and amortisation expense		(125,281)	(61,782)
Printing and stationery		(48,895)	(50,986)
Insurance		(19,036)	(16,248)
Legal costs		(1,500)	(8,182)
Employee benefits expense		(3,983,619)	(3,500,638)
HR & culture		(152,405)	(142,919)
Grant donations - collaboration & chapter networks		(1,367,863)	(986,852)
Finance expenses		(46,293)	(21,024)
Total expenses		(7,431,230)	(5,708,921)
Surplus for the year		341,691	132,383
Other comprehensive income for the year		-	-
Total comprehensive income for the year		341,691	132,383

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

Philanthropy Australia Ltd
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Statement of financial position
As at 31 December 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	4	3,273,971	3,071,981
Trade and other receivables	5	647,410	124,288
Other financial assets - term deposits		284,187	275,897
Other assets	7	153,962	78,714
Total current assets		4,359,530	3,550,880
Non-current assets			
Property, plant and equipment	6	36,844	21,873
Right-of-use assets		282,437	391,768
Total non-current assets		319,281	413,641
Total assets		4,678,811	3,964,521
Liabilities			
Current liabilities			
Trade and other payables	9	365,632	118,437
Lease liabilities	8	107,436	93,862
Employee benefits	11	131,416	115,075
Other financial liabilities	10	1,091,504	875,982
Total current liabilities		1,695,988	1,203,356
Non-current liabilities			
Leases	8	199,843	307,279
Employee benefits	11	8,387	20,984
Total non-current liabilities		208,230	328,263
Total liabilities		1,904,218	1,531,619
Net assets		2,774,593	2,432,902
Equity			
Reserves		2,432,902	2,300,519
Retained surpluses		341,691	132,383
Total equity		2,774,593	2,432,902

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

Philanthropy Australia Ltd
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Statement of changes in equity
For the year ended 31 December 2024

2024

	Restricted funds reserve $	Unrestricted reserve $	Total $
Balance at 1 January 2024	150,419	2,282,483	2,432,902
Surplus for the year	(89,087)	430,778	341,691
Balance at 31 December 2024	61,332	2,713,261	2,774,593

2023

	Restricted funds reserve $	Unrestricted reserve $	Total $
Balance at 1 January 2023	293,822	2,006,697	2,300,519
Surplus for the year	(177,698)	310,081	132,383
Transfer Restricted funds during 2023	34,295	(34,295)	-
Balance at 31 December 2023	150,419	2,282,483	2,432,902

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

Philanthropy Australia Ltd
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Statement of cash flows
For the year ended 31 December 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from members, membership events & programs		2,784,467	2,256,883
Payments to suppliers and employees		(7,106,893)	(5,850,002)
Receipts from sponsorships, donations and grants received		4,607,803	4,199,187
Interest received		73,051	51,663
Net cash from operating activities		358,428	657,731
Cash flows from investing activities			
Purchase of property, plant and equipment		(30,921)	(14,160)
Net redemption / (placement) of term deposits		(8,290)	(72,215)
Net cash used in investing activities		(39,211)	(86,375)
Cash flows from financing activities			
Repayment of leases		(117,227)	(47,635)
Net cash used in financing activities		(117,227)	(47,635)
Net increase in cash and cash equivalents		201,990	523,721
Cash and cash equivalents at the beginning of the financial year		3,071,981	2,548,260
Cash and cash equivalents at the end of the financial year	4	3,273,971	3,071,981

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

Note 1. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

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

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

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.

(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

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.

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.

Note 1. Material accounting policy information (continued)

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.

(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.

Note 1. Material accounting policy information (continued)

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%
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.

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 - equity instrument (FVOCI - equity)

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.

Note 1. Material accounting policy information (continued)

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

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.

(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.

Note 1. Material accounting policy information (continued)

(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 invoices 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.

(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.

Note 2. Critical accounting judgements, estimates and assumptions

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.

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.

Note 3. Grants, donations and sponsorships

	2024 $	2023 $
Within our Sponsorships, Philanthropy Australia recognises the generous in-kind market values our state office rental as follows;		
- ANZ (Melbourne Office)	-	58,800
- The Wyatt Trust (Adelaide Office)	14,400	14,400
- Hand Heart Pocket (Brisbane Office)	15,336	15,336
- Grants & Donations	3,237,391	3,166,668
- Sponsorships	266,300	10,000
Total grants, donations and sponsorships	3,533,427	3,265,204

Note 4. Cash and cash equivalents

	2024 $	2023 $
Current assets		
Bank balances	1,948,081	1,758,470
Short-term deposits	1,325,890	1,313,511
Total cash and cash equivalents	3,273,971	3,071,981

Note 5. Trade and other receivables

	2024 $	2023 $
Current assets		
Trade receivables	546,699	60,021
Other receivables	38,244	10,915
GST receivable	62,467	53,352
Total current trade and other receivables	647,410	124,288

Note 6. Property, plant and equipment

	2024 $	2023 $
Non-current assets		
Furniture, fixtures and fittings - at cost	22,895	20,382
Accumulated depreciation	(15,792)	(13,925)
Total furniture, fixtures and fittings	7,103	6,457
Office equipment - at cost	118,523	90,115
Accumulated depreciation	(88,782)	(74,699)
Total office equipment	29,741	15,416
Computer software - at cost	19,000	19,000
Accumulated depreciation	(19,000)	(19,000)
	-	-
Total property, plant and equipment	36,844	21,873

Reconciliations

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

Year ended 31 December 2024	Furniture, Fixtures and Fittings $	Office & IT Equipment $	Software & CRM Development $	Total $
Balance at 1 January 2024	6,458	15,415	-	21,873
Additions	2,512	28,409	-	30,921
Depreciation expense	(1,867)	(14,083)	-	(15,950)
Balance at 31 December 2024	7,103	29,741	-	36,844

Note 7. Other non-financial assets

	2024 $	2023 $
Current assets		
Prepayments	153,962	78,714

Note 8. 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 $
Year ended 31 December 2024		
Balance at beginning of year	391,768	391,768
Depreciation charge	(109,331)	(109,331)
Balance at end of year	282,437	282,437

Lease liabilities

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

	less than a year $	1 - 5 years $	> 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement Of Financial Position $
2024					
Lease liabilities	124,302	210,986	-	335,289	307,279

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:

	2024 $	2023 $
Interest expense on lease liabilities	23,365	11,454
Depreciation of right-of-use assets	109,331	45,554
	132,696	57,008

Statement of Cash Flows

	2024 $	2023 $
Total cash outflow for leases	117,227	47,635

Note 9. Trade and other payables

	2024 $	2023 $
Current liabilities		
Trade payables	246,582	26,399
Other payables	119,050	92,038
	365,632	118,437

Note 10. Other financial liabilities

	2024 $	2023 $
Current liabilities		
Advance grant, partnership and other program income 10(a)	485,317	402,000
Advance membership income	606,187	473,982
	1,091,504	875,982

10(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.

Note 11. Employee benefits

	2024 $	2023 $
Current liabilities		
Long service leave	14,148	12,891
Annual leave	117,268	102,184
	131,416	115,075
Non-current liabilities		
Long service leave	8,387	20,984
	139,803	136,059

Note 12. Financial Risk Management

	2024 $	2023 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	3,273,971	3,071,981
Trade and other receivables	647,410	124,288
Amortised-cost investments (Term Deposits)	284,187	275,897
Total financial assets	4,205,568	3,472,166
Financial liabilities		
Trade and other payables	365,632	118,437
Total financial liabilities	365,632	118,437

Note 13. 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:

	2024 $	2023 $
Salaries & benefits	978,435	927,028
Superannuation	108,696	98,625
Total	1,087,131	1,025,653

Note 14. Auditors' Remuneration

	2024 $	2023 $
Remuneration of the auditors for:		
- auditing or reviewing the financial statements	17,400	16,500
- assistance with the preparation of the financial statements	3,100	2,950
Total	20,500	19,450

Note 15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2024 (31 December 2023:None).

Note 16. Related party transactions

(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: $26,000

Directors through employer entity & foundation: $1,423,484

KMP - Personal: $2,000

Key management personnel - refer to note 13.

Note 17. Events after the end of the reporting period

The financial report was authorised for issue on 26 March 2025 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.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Philanthropy Australia Ltd
ACN: 070 104 255
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Australian Accounting Standards - Simplified Disclosures*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulations 2022*.

Amanda Miller OAM, Co-Chair
Director

Lisa George, Co-Chair
Director

Michael Graf, Chair Finance Audit Risk & Compliance Committee
Director

26 March 2025

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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 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, 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 2024 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.

The directors are responsible for overseeing the entity's financial reporting process.

Registered Audit Company 291969

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Nexia Australia

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

Nexia Melbourne Audit Pty Ltd
Chartered Accountants

A Wehrens

Andrew Wehrens
Director

Date: 26th March 2025