

Philanthropy Australia Ltd

ACN: 070 104 255

Financial Statements

For the Year Ended - 31 December 2025

Philanthropy Australia Ltd
ACN: 070 104 255
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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 25 March 2026.

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Board members' report
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The directors present their report, together with the financial statements, on the Company for the year ended 31 December 2025.

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	
Catherine Brown OAM	Appointed 21/05/2025
Darrell Wade	Appointed 26/11/2025
Georgina Byron	
Jo Taylor	Resigned 07/05/2025
John McLeod	Resigned 21/05/2025
Kirsty Allen	Resigned 21/05/2025
Kristen Stevenson	
Lisa George	
Liz Gillies	Resigned 21/05/2025
Michael Graf	
Nayomi Kannangara	Appointed 21/05/2025
Roxanne Moore	Appointed 21/05/2025
Stacey Thomas	
Tyson Feng	

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	3
Amanda Miller OAM	4	2
Brian Wyborn	4	4
Catherine Brown OAM	3	2
Darrell Wade	1	1
Georgina Byron	4	4
Jo Taylor	1	-
John McLeod	1	1
Kirsty Allen	1	1
Kristen Stevenson	4	3
Lisa George	4	4
Liz Gillies	1	1
Michael Graf	4	4
Nayomi Kannangara	2	2
Roxanne Moore	2	2
Stacey Thomas	4	3
Tyson Feng	4	2

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.

Overview

2025 was a significant year for Philanthropy Australia. It marked the commencement of our 50th year, the final year of delivery under the 2022 to 2025 Strategic Plan, and the establishment of the foundations for Strategy 2033. Despite a demanding operating environment, Philanthropy Australia sustained strong organisational performance and demonstrated continued leadership across the philanthropic sector.

Organisational Performance and Capability

Key internal milestones were achieved during the year with the appointment of the Executive Director, Membership and Engagement in August 2025, followed by the appointment of the Deputy CEO in October 2025. These appointments completed a strengthened Executive structure and positioned the organisation to deliver against the emerging strategic priorities of Strategy 2033.

Recruitment activity across the organisation ensured that resourcing remained aligned to operational requirements. Philanthropy Australia maintained a cohesive and engaged organisational culture, supported by an all staff retreat and ongoing engagement initiatives. The annual staff engagement survey recorded an 82 per cent favourable score, with a high participation rate, reflecting continued investment in people, leadership and capability.

Membership, Sector Engagement and Reach

As at 31 December 2025, Philanthropy Australia had a total of 838 memberships, comprising 775 paid and 63 complimentary memberships. Membership revenue increased by 11% to \$1,724,700 (2024: \$1,550,915), reflecting the organisations

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strategic focus on higher-tier memberships and the successful implementation of a new membership model introduced in early 2025.

Sector participation continued to expand. Peer Networks convened more than 1,400 participants across 43 meetings, workshops and roundtables. The Leadership Summit in Canberra attracted 441 delegates and provided 80 scholarships for First Nations and not-for-profit leaders. Digital engagement also continued to grow, with daily reach exceeding 30,000 people, supported by strong performance across Giving News and social media channels.

Advocacy and Policy Reform

Policy and advocacy remained a major focus in 2025, with significant progress achieved across a number of priority reform areas. Key outcomes included:

- The establishment of a new DGR category for community foundations, a significant representing a significant reform following more than two decades of collective sector advocacy.
- The launch of the *Unlock DGR* campaign, in partnership with Justice Connect, to advance broader DGR system reform through a coordinated national coalition.
- Progress on superannuation bequests reform, informed by discussions with the Assistant Treasurer and sector stakeholders.
- Support for reforms to protect charity advocacy, delivered through national collaboration with the Stronger Charities Alliance.
- Ongoing dialogue on giving fund regulation, including the minimum distribution settings.
- Support for a Philanthropic Liaison Officer pilot within the Queensland Government's Office for Social Impact.

International engagement continued, with Philanthropy Australia contributing to policy discussions in Ireland supporting the implementation of the Irish National Philanthropy Policy.

Practice, Partnerships and Sector Initiatives

Momentum continued across a range of multi-year sector initiatives. The Collective Giving Initiative engaged strong national participation and is on track to deliver a capability building strategy in 2026. Pay What It Takes moved into Phase Two, supported by refreshed resources, new case studies and an expanded ambassador program.

The Foundations Group for Impact Investing grew to more than 60 participating organisations representing in excess of than \$10 billion. Integration of Philanthropy Australia's NewGen program with the NEXUS Impact Society also progressed, strengthening alignment across the sector and reducing duplication.

First Nations Engagement

Philanthropy Australia continued implementation of its Reconciliation Action Plan and further strengthened its First Nations Governance Committee. The First Nations Funders Network remained the most subscribed Peer Network.

Findings from the national Aboriginal and Torres Strait Islander Funders Survey indicated that 20 per cent of philanthropic distributions in 2022-2023 benefited First Nations people, with 12 per cent directed to First Nations-led organisations. These insights are informing early work under Strategy 2033, particularly in relation to sector stewardship and practice shifts.

50th Anniversary and Strategic Positioning

The first phase of Philanthropy Australia's 50th anniversary program commenced in late 2025. More than 800 sector participants attended celebration events held nationally. Historic content was digitised and shared, and storytelling activity was elevated across digital channels. The anniversary program will continue throughout 2026 and will be integrated with statewide launches of Strategy 2033 and the 2026 Conference in Brisbane.

Conclusion

Philanthropy Australia enters its 50th year with a strengthened Executive and leadership structure, an engaged membership and strong sector partnerships. The organisation is well positioned to deliver on the early ambitions of Strategy 2033 while maintaining prudent financial management through a period of strategic investment.

Key financial and performance results for year-ended 2025

Our membership numbers saw modest growth from 2024 to 2025.

31 December 2025	2025	2024	2023	2022	2021	2020	2019	2018
Members at year end	838	920	852	818	753	764	726	640

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At the end of 2025, Philanthropy Australia had an unrestricted deficit from normal operations of \$220,044 (2024: surplus \$430,778), excluding restricted funds tied to future years projects and partnerships. Philanthropy Australia also received funds and made payments relating to our Philanthropy Australia Chapter networks, partnerships and projects tied to specific purposes which resulted in a surplus of \$12,372 in 2025 (2024: deficit of \$89,087) as funds received in current year were not expended.

Together, they constitute the 2025 end of year deficit position of \$207,672 (2024: surplus of \$341,691).

We thank everyone who contributed to the substantial achievements and successes of Philanthropy Australia in 2025 – 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 the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 31 December 2025 has been received and can be found on page 6 of the financial report.

On behalf of the directors



Darrell Wade, Chair
Director

25 March 2026



Michael Graf, Chair Finance Audit Risk &
Compliance Committee
Director

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

To the Board of Directors of Philanthropy Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2025 there have been no contraventions of:

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



Nexia Melbourne Audit Pty Ltd
Melbourne



Andrew S. Wehrens
Director

Dated this 25th March 2026

Advisory. Tax. Audit.

Registered Audit Company 291969

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Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	2025	2024
		\$	\$
Revenue			
Member fees		1,724,700	1,550,915
Workshop and study tour fees		-	63,127
Grants, donations and sponsorships	3	3,709,148	3,533,427
Grants & donations - collaborations & chapter networks		1,113,300	1,074,376
PA event registration		653,958	1,470,837
Other income		37,195	7,188
Finance income		53,632	73,051
Total revenue		<u>7,291,933</u>	<u>7,772,921</u>
Expenses			
Events & programs		(563,935)	(745,278)
Marketing & communications		(131,955)	(201,219)
Travel & accommodation		(219,839)	(233,892)
Premise (in-kind) & rent		(174,041)	(191,404)
ICT, CRM & digital		(285,585)	(294,045)
Auditors remuneration		(24,227)	(20,500)
Depreciation and amortisation expense		(128,967)	(125,281)
Printing and stationery		(29,374)	(48,895)
Insurance		(18,638)	(19,036)
Legal costs		-	(1,500)
Employee benefits expense		(4,115,880)	(3,983,619)
HR & culture		(178,371)	(152,405)
Grant donations - collaboration & chapter networks		(1,584,109)	(1,367,863)
Finance expenses		(39,357)	(46,293)
Administrative expenses		(5,327)	-
Total expenses		<u>(7,499,605)</u>	<u>(7,431,230)</u>
Surplus/(deficit) for the year		<u>(207,672)</u>	<u>341,691</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>(207,672)</u></u>	<u><u>341,691</u></u>

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

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Statement of financial position
As at 31 December 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,409,874	3,273,971
Trade and other receivables	5	126,751	647,410
Other financial assets - term deposits		291,503	284,187
Other assets	7	155,841	153,962
Total current assets		<u>3,983,969</u>	<u>4,359,530</u>
Non-current assets			
Property, plant and equipment	6	39,411	36,844
Right-of-use assets		173,107	282,437
Total non-current assets		<u>212,518</u>	<u>319,281</u>
Total assets		<u>4,196,487</u>	<u>4,678,811</u>
Liabilities			
Current liabilities			
Trade and other payables	9	198,711	365,632
Lease liabilities	8	122,192	107,436
Employee benefits	11	152,009	131,416
Other financial liabilities	10	1,070,968	1,091,504
Total current liabilities		<u>1,543,880</u>	<u>1,695,988</u>
Non-current liabilities			
Lease liabilities	8	77,652	199,843
Employee benefits	11	8,034	8,387
Total non-current liabilities		<u>85,686</u>	<u>208,230</u>
Total liabilities		<u>1,629,566</u>	<u>1,904,218</u>
Net assets		<u>2,566,921</u>	<u>2,774,593</u>
Equity			
Reserves		2,774,593	2,432,902
Retained surpluses/(accumulated deficits)		<u>(207,672)</u>	<u>341,691</u>
Total equity		<u>2,566,921</u>	<u>2,774,593</u>

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

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Statement of changes in equity
For the year ended 31 December 2025

	Restricted funds reserve	Unrestricted funds reserve	Total
2025			
Balance as 1 January 2025	61,332	2,713,261	2,774,593
Surplus/(deficit) for the year	149,713	(357,385)	(207,672)
Balance as 31 December 2025	<u>211,045</u>	<u>2,355,876</u>	<u>2,566,921</u>
	Restricted funds reserve	Unrestricted funds reserve	Total
2024			
Balance at 1 January 2024	150,419	2,282,483	2,432,902
Surplus/(deficit) for the year	(89,087)	430,778	341,691
Balance at 31 December 2024	<u>61,332</u>	<u>2,713,261</u>	<u>2,774,593</u>

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

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Statement of cash flows
For the year ended 31 December 2025

	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from members, membership events and programs		2,915,976	2,784,467
Payments to suppliers and employees		(7,502,332)	(7,106,893)
Receipts from sponsorships, donations and grants received		4,822,448	4,607,803
Interest received		53,632	73,051
		<u>289,724</u>	<u>358,428</u>
Net cash from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment		(22,203)	(30,921)
Net redemption / (placement) of term deposits		(7,316)	(8,290)
		<u>(29,519)</u>	<u>(39,211)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Repayment of leases		(124,302)	(117,227)
		<u>(124,302)</u>	<u>(117,227)</u>
Net cash used in financing activities			
Net increase in cash and cash equivalents		135,903	201,990
Cash and cash equivalents at the beginning of the financial year		3,273,971	3,071,981
Cash and cash equivalents at the end of the financial year	4	<u><u>3,409,874</u></u>	<u><u>3,273,971</u></u>

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.

Restricted / Unrestricted funds and 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

	2025	2024
	\$	\$
<i>Within our Sponsorships, Philanthropy Australia recognises the generous in-kind market values our state office rental as follows;</i>		
- The Wyatt Trust (Adelaide Office)	14,400	14,400
- Hand Heart Pocket (Brisbane Office)	15,336	15,336
- Grants and Donations	3,624,412	3,237,391
- Sponsorships	<u>55,000</u>	<u>266,300</u>
Total grants, donations and sponsorships	<u><u>3,709,148</u></u>	<u><u>3,533,427</u></u>

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Note 4. Cash and cash equivalents

	2025	2024
	\$	\$
<i>Current assets</i>		
Bank balances	2,072,980	1,948,081
Short-term deposits	1,336,894	1,325,890
Total cash and cash equivalents	<u>3,409,874</u>	<u>3,273,971</u>

Note 5. Trade and other receivables

	2025	2024
	\$	\$
<i>Current assets</i>		
Trade receivables	68,220	546,699
Other receivables	8,737	38,244
GST receivable	49,794	62,467
Total current trade and other receivables	<u>126,751</u>	<u>647,410</u>

Note 6. Property, plant and equipment

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Furniture, fixtures and fittings - at cost	22,895	22,895
Accumulated depreciation	(18,002)	(15,792)
Total furniture, fixtures and fittings	<u>4,893</u>	<u>7,103</u>
Office equipment - at cost	140,726	118,523
Accumulated depreciation	(106,208)	(88,782)
Total office equipment	<u>34,518</u>	<u>29,741</u>
Computer software - at cost	19,000	19,000
Accumulated depreciation	(19,000)	(19,000)
	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>39,411</u>	<u>36,844</u>

Reconciliations

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

	Furniture, Fixtures and Fittings	Office and IT Equipment	Software and CRM Development	Total
	\$	\$	\$	\$
Year ended 31 December 2025				
Balance at 1 January 2025	7,103	29,741	-	36,844
Additions	-	22,203	-	22,203
Depreciation expense	(2,210)	(17,426)	-	(19,636)
Balance at 31 December 2025	<u>4,893</u>	<u>34,518</u>	<u>-</u>	<u>39,411</u>

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Note 7. Other non-financial assets

	2025	2024
	\$	\$
<i>Current assets</i>		
Prepayments	<u>155,841</u>	<u>153,962</u>

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 2025		
Balance at beginning of year	282,437	282,437
Depreciation charge	<u>(109,330)</u>	<u>(109,330)</u>
Balance at end of year	<u>173,107</u>	<u>173,107</u>

Lease liabilities

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

	less than a	1 - 5 years	> 5 years	Total	Lease
	year			undiscoun	liabilities
	\$	\$	\$	ted	included in
				lease	this
				liabilities	Statement Of
				\$	Financial
					Position
					\$
2025					
Lease liabilities	119,683	102,013	-	221,696	199,844

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:

	2025	2024
	\$	\$
Interest expense on lease liabilities	16,867	23,365
Depreciation of right-of-use assets	<u>109,330</u>	<u>109,331</u>
	<u>126,197</u>	<u>132,696</u>

Statement of Cash Flows

	2025	2024
	\$	\$
Total cash outflow for leases	<u>124,302</u>	<u>117,227</u>

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Note 9. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	62,678	246,582
Other payables	136,033	119,050
	<u>198,711</u>	<u>365,632</u>

Note 10. Other financial liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Advance grant, partnership and other program income 10(a)	338,817	485,317
Advance membership income	732,151	606,187
	<u>1,070,968</u>	<u>1,091,504</u>

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

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Long service leave	-	14,148
Annual leave	152,009	117,268
	<u>152,009</u>	<u>131,416</u>
<i>Non-current liabilities</i>		
Long service leave	8,034	8,387
	<u>160,043</u>	<u>139,803</u>

Note 12. Financial Risk Management

	2025	2024
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	3,409,874	3,273,971
Trade and other receivables	126,751	647,410
Amortised-cost investments (Term Deposits)	291,503	284,187
Total financial assets	<u>3,828,128</u>	<u>4,205,568</u>
Financial liabilities		
Trade and other payables	198,711	365,632
Total financial liabilities	<u>198,711</u>	<u>365,632</u>

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:

	2025	2024
	\$	\$
Salaries, wages and benefits	1,080,599	978,435
Superannuation	<u>114,899</u>	<u>108,696</u>
Total	<u><u>1,195,498</u></u>	<u><u>1,087,131</u></u>

Note 14. Auditors' Remuneration

	2025	2024
	\$	\$
Remuneration of the auditors for:		
- auditing or reviewing the financial statements	18,300	17,400
- assistance with the preparation of the financial statements	<u>3,250</u>	<u>3,100</u>
Total	<u><u>21,550</u></u>	<u><u>20,500</u></u>

Note 15. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2025 (31 December 2024: 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 and foundation that are controlled or significantly influenced by those key management personnel or their close family members:

Directors - Personal: \$46,627 (2024: \$26,000)

Directors through employer entity and foundation: \$1,128,627 (2024: \$1,423,484).

KMP - Personal: \$2,000 (2024: \$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 25 March 2026 by the Board of Directors.

No other matter or circumstance has arisen since 31 December 2025 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
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Directors' declaration
31 December 2025

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 2025 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*.



Darrell Wade, Chair
Director

25 March 2026



Michael Graf, Chair Finance Audit Risk &
Compliance Committee
Director

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 Ltd (the Company), which comprises the statement of financial position as at 31 December 2025, 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 report, 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:

- i. giving a true and fair view of the Company's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Simplified Disclosures 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 in accordance with 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.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2025 but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Advisory. Tax. Audit.

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited by a scheme approved under Professional Standards Legislation.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 Company's financial reporting process.

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 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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Andrew Wehrens

Andrew Wehrens
Director

Dated this 25th March 2026