

# **Foundation for Alcohol Research & Education Limited**

**ABN: 91 096 854 385**

## **Financial Statements**

**For the Year Ended 30 June 2022**

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

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# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Directors' Report For the Year Ended 30 June 2022

The directors present their report on the Foundation for Alcohol Research & Education Limited (FARE) for the financial year ended 30 June 2022.

### 1. General information

#### Directors

The names of the directors in office at any time during, or since the end of, the year are:

#### Names

Mr Andrew Fairley AM

Mr Jono Nicholas

Ms Teresa Dyson

Mr Tony Walker

Mr Steve Ella

Ms Kirstie Clements

Dr Nadine Ezard, Conjoint Professor

Associate Professor Nicholas Carah

Professor Simone Pettigrew

Mr Mark Textor

Ms Tanya Hosch

Ms Jackie Trad

#### Appointed/Resigned

Appointed 24 May 2013

Resigned 1 October 2021

Appointed 19 October 2011

Resigned 26 November 2021

Appointed 22 February 2017

Appointed 25 October 2013

Appointed 25 October 2013

Appointed 30 June 2015

Appointed 22 February 2017

Appointed 23 March 2018

Appointed 19 September 2018

Resigned 26 November 2021

Appointed 17 June 2019

Appointed 17 May 2021

Appointed 26 November 2021

#### Principal activities

The principal activities outlined in FARE's constitution are:

- promoting health and social wellbeing by stopping harm caused by alcohol in Australia, including alcohol-caused disease and injury, and alcohol's harm to others
- supporting evidence-based alcohol-related public health policy, including prevention, treatment and rehabilitation
- promoting the prevention of alcohol harms, particularly among vulnerable population groups such as children, young people, women and Aboriginal and Torres Strait Islander peoples
- promoting community awareness and providing education about the harmful effects of alcohol consumption including its impact on chronic disease, and
- identifying, commissioning, conducting and disseminating research that will lead to a better understanding of what works to stop harm caused by alcohol.

No significant changes in the nature of the FARE's activity occurred during the financial year.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### 1. General information (continued)

#### Strategy for achieving the objectives

FARE will pursue the following three strategic goals over the course of the *Strategic plan 2021-2023*:

- **Evidence-informed policy:** We shape, drive and support the development of evidence-informed policy and programs that contribute to an Australia free from alcohol harms.
- **People-powered advocacy:** We engage in advocacy that elevates the voices of people with lived-experience and values-aligned organisations.
- **Health promotion programs:** We develop and deliver programs to engage Australians in a conversation about alcohol harms and the health and wellbeing benefits of reducing drinking.

Management and the Board monitor FARE's overall performance, from the implementation of its vision statement and strategic plan through to the performance of FARE against operating plans and financial budgets.

FARE maintains a capital fund to support its future activities. The balance of the Capital Fund at 30 June 2022 was \$25,697,494 (2021: \$29,586,885).

#### Members' guarantee

The Foundation for Alcohol Research & Education Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$50 for all members, subject to the provisions of the Company's constitution.

At 30 June 2022 the collective liability of members was \$600 (2021: \$550).

### 2. Other items

#### Events after the reporting date

The Directors have determined that FARE remains in a healthy cash position and retained stable grants for the 2022/2023 financial year

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.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Meetings of directors

During the financial year, 17 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	General		Finance Audit & Risk Management		Investment		Governance & Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Andrew Fairley AM	1	1	1	1	1	1	1	1
Mr Jono Nicholas	2	2	-	-	-	-	-	-
Ms Teresa Dyson	4	4	5	5	4	4	-	-
Mr Tony Walker	4	4	-	-	2	1	2	2
Mr Steve Ella	4	4	-	-	2	1	2	2
Ms Kirstie Clements	4	3	3	3	-	-	2	2
Dr Nadine Ezard, Conjoint Professor	4	4	5	5	-	-	-	-
Associate Professor Nicholas Carah	4	4	5	5	-	-	-	-
Professor Simone Pettigrew	2	2	-	-	-	-	2	2
Mr Mark Textor	4	4	4	4	4	3	4	3
Ms Tanya Hosch	4	4	-	-	-	-	2	2
Ms Jackie Trad	2	2	-	-	2	2	-	-

### Information on directors

Mr Andrew Fairley AM

Qualifications

Experience

Chair to 1 October 2021

LLB (Melb); Hon Doc (Deakin); FAICD; FAIST

Andrew was appointed as a Director of FARE on 24 May 2013 and appointed the Chair of FARE on 1 July 2013. Andrew resigned as Chair and from the Board on 1 October 2021.

Andrew practices as an equity lawyer with Hall & Wilcox in Melbourne, and is recognised as one of Australia's leading superannuation lawyers. He has recently retired as the Chair of Equip Super and Catholic Super, which have combined assets under management of \$30 billion. He is an Industry Director of the Australian Financial Complaints Authority.

Andrew has a long association with the philanthropic sector, and is Chair of the Sir Andrew Fairley Foundation and Deputy Chair of the Mornington Peninsula Foundation. He sits on a number of Family Boards as an Independent Director. He has been the Consul General for Finland in Victoria for over 20 years.

Special Responsibilities

Andrew served as the Chair of the Board until 1 October 2021. From June 2021 until 1 October 2021, Andrew served as a Member of the Finance, Audit and Risk Management Committee, Investment Committee and Governance and Remuneration Committee.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Information on directors (continued)

Mr Mark Textor

Chair from 1 October 2021

Qualifications

Bec

Experience

Mark was appointed a Director of FARE on 17 June 2019.

Together with his business partner, Sir Lynton Crosby AO, Mark has successfully built one of the world's premier market research, campaigns, and communications consultancies – the C|T Group (formerly Crosby|Textor). Headquartered in London, with offices in Europe, the Middle East, the United States, New Zealand, Ireland, Hong Kong and Australia, his firm reaches a truly international scope and Mark enjoys unmatched high level and trusted relationships with corporate, community and political leaders across the globe.

Prior to co-founding C|T Group, Mark was an Australasian Managing Director and one of the three founding Asia-Pacific team leaders of Wirthlin Worldwide, helping to establish offices in Singapore, Hong Kong, Canberra and Sydney. Mark was mentored by its founder, President Ronald Reagan's pre-eminent Pollster and strategist, Richard B. Wirthlin.

Mark has also provided significant assistance to charities focusing on help for the homeless and in numerous campaigns for indigenous groups.

Special Responsibilities

Mark was appointed Chair of the Board on 1 October 2022. Mark served as a member of the Investment Committee and Governance and Remuneration Committee from July 2021 and served on the Finance, Audit and Risk Management Committee from October of 2021.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Information on directors (continued)

Associate Professor Nicholas  
Carah  
Qualifications  
Experience

Deputy Chair  
PhD, Grad Cert. (Higher Education), B.Bus (Hons)  
Nicholas was appointed a Director of FARE on 23 March 2018.

Nicholas' research examines the promotional culture and advertising model of digital media platforms. His work focuses in particular on the emerging forms of alcohol marketing taking place on social media platforms, and how they intersect with everyday drinking cultures and identities. Nicholas is a Chief Investigator on the Australian Research Council Discovery Project 'Using machine vision to explore Instagram's everyday promotional cultures' and the Linkage Project 'Young Australians and the promotion of alcohol and nightlife on social media'. Nicholas has also undertaken research with the social movement and health intervention Hello Sunday Morning to explore and evaluate their use of blogs and digital media in changing drinking culture. He was also a part of the research team for the Queensland government funded evaluation into the Tracking Alcohol Fueled Violence legislation.

At The University of Queensland Nicholas is Director of Digital Cultures and Societies in the Faculty of Humanities and Social Sciences, and Associate Professor in the School of Communication and Arts. He is also an Associate Investigator in the Australian Research Council Centre of Excellence in Automated Decision-Making and Society. He is the author of 'Media & Society: power, platforms and participation'. He is a recipient of a UQ Teaching Fellowship to develop approaches to teaching that blend on campus and digital modes of learning by working with student partners, and a recipient of the Faculty of Humanities and Social Sciences Teaching Excellence Award (2019) and UQ Teaching Excellence Award (2020). His work has been published in Media, Culture & Society, New Media & Society, Television & New Media, Consumption, Markets & Culture, Health, and Critical Public Health.

Special Responsibilities

Nicholas served as Chair of the Finance, Audit and Risk Management Committee.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Information on directors (continued)

Ms Kirstie Clements  
Experience

Director

Kirstie was appointed a Director of FARE on 30 June 2015.

Kirstie is an author, journalist, speaker, and former editor in chief (1999-2012) of Vogue Australia and former features director of Harper's Bazaar Australia. Her memoir of three decades in fashion publishing, 'The Vogue Factor' (MUP) was released in 2013 and has since become an international bestseller.

Kirstie has co-authored two illustrated books on fashion. In Vogue Australia: 50 Years of Australian Style (Harper Collins, 2009) and The Australian Women's Weekly Fashion: The First 50 Years (2014) for the National Library of Australia.

Kirstie is currently employed as a freelance journalist and copywriter and writing her sixth non-fiction book for Murdoch Books. She has a weekly column on the New Daily news website and is also the publisher of lifestyle magazine Inprint and co-director of Inprint content agency. Kirstie works as a consultant in communications and marketing for several Australian lifestyle brands, and is a lecturer in multi-media journalism at FBI College, Sydney.

Special Responsibilities

Kirstie served as a member of the Finance, Audit and Risk Management Committee until December 2021, and Chair of the Governance and Remuneration Committee between January and June 2022.

Professor Simone Pettigrew  
Qualifications  
Experience

Director

Bec, M.Comm., PhD

Simone was appointed a Director of FARE on 19 September 2018.

Simone's research focus is in the areas of consumer psychology and health promotion. Her work investigates methods of encouraging individuals to make behavioural changes to improve their health and wellbeing. She has been researching the factors associated with alcohol consumption for almost 25 years, with a particular focus on the socio-cultural factors influencing individuals' decisions to drink.

To date, Simone has published more than 70 peer-reviewed articles on the topic of alcohol consumption. These publications relate to various aspects of the social norms applying to alcohol consumption, alcohol marketing, and alcohol policy recommendations.

Simone's research is cited in government strategy documents and submissions prepared by non-government organisations in their alcohol control of advocacy work.

Special Responsibilities

Simone served as the Chair of the Governance and Remuneration Committee until November 2021.



# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Information on directors (continued)

Ms Teresa Dyson

Qualifications

Experience

Director

LLB (Hons), BA, MTax, MAppFin, GAICD

Teresa is a non-executive Director, following a career in law, with more than 20 years' experience advising governments and the private and not for profit sectors on complex business and governance issues, strategic decision making, mergers and acquisitions, financing transactions, and social infrastructure.

Teresa is formerly a partner of Ashurst Lawyers and Deloitte Australia. She was named Lawyer of the Year in 2011 by the Women Lawyers Association of Queensland.

Teresa is also a Director of Energy Queensland, Seven West Media Ltd, Genex Power Ltd, Shine Justice Ltd and Brighter Super. She is a member of the Gold Coast Hospital & Health Services Board and is also a member of the Foreign Investment Review Board, the Takeovers Panel and the National Housing Finance & Investment Corporation.

Special Responsibilities

Teresa served as the Chair of the Investment Committee and on the Finance, Audit and Risk Management Committee.

Ms Tanya Hosch

Experience

Director

Tanya was appointed a Director of FARE on 17 May 2021.

Tanya Hosch is the Executive General Manager of Inclusion and Social Policy at the Australian Football League and 2021 South Australian – Australian of the year.

Tanya has a long and distinguished history in Aboriginal and Torres Strait Islander policy, advocacy, governance and is an accomplished public speaker.

Before joining the AFL as the first ever Indigenous person and 2nd woman in their Executive ranks in August 2016, Tanya was the Joint Campaign director of the Recognise movement for constitutional recognition.

At the AFL Tanya's portfolios include – Aboriginal and Torres Strait Islander issues, Gender Equality, Sexuality and Gender Diversity, racism, and sexism. Tanya is tasked with the implementation of the AFL's enhanced Indigenous strategy, advising the AFL National Aboriginal and Torres Strait Islander Advisory Council, maintenance of the Respect and Responsibility Policy, 2017, and the Gender Diversity Policy.

Tanya is a Co-Chair of the Indigenous Advisory Group of the National Australia Bank, an ANU Council member, Director of the Foundation for Alcohol Research and Education (FARE), a Board Director of the Australian Film, Television and Radio School and was a member of the Referendum Council that led the process and final recommendation that resulted in The Statement from the Heart in May 2017. A career highlight was contributing as a Consultant on the ABC drama, Total Control.

In October 2020, Tanya was announced as the South Australian of the Year for 2021. In October 2021, Tanya was named 6th on the Australian Financial Review Cultural Power list and in December 2021, Tanya was named 23rd on South Australian's Most Influential People list.

Special Responsibilities

Tanya served on the Governance and Remuneration Committee.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Information on directors (continued)

Dr Nadine Ezard, Conjoint  
Professor

Director

Qualifications

FChAM, PhD, MPH MBBS

Experience

Nadine was appointed a Director of FARE on 22 February 2017.

Nadine was appointed a Director of FARE on 22 February 2017. Nadine is the Clinical Director of the Alcohol and Drug Service at St Vincent's Hospital in Sydney, Director of the National Centre for Clinical Research in Emerging Drugs, and Conjoint Professor at the University of New South Wales Faculty of Medicine National Drug and Alcohol Research Centre. A practicing addiction medicine physician, she is a registered medical practitioner and Fellow of the Australasian Chapter of Addiction Medicine (FChAM), Royal Australasian College of Physicians (RACP).

Nadine's research focuses on building the evidence base for effective interventions for substance use disorders. She has a particular interest in public health and clinical care linkages for reducing alcohol and other drug related harm.

Nadine has previously worked for the World Health Organization, the United Nations High Commissioner for Refugees, and the United Nations Office of Drugs and Crime.

Special Responsibilities

Nadine served on the Finance, Audit and Risk Management Committee.

Mr Steve Ella

Director

Qualifications

Mphil, GradDip IndigHP

Experience

Steve was appointed as a Director of FARE on 25 October 2013.

Steve is a Walbunja Aboriginal man originating from the Yuin Nation on the South Coast of NSW with his cultural links based within the La Perouse Aboriginal community.

Steve is the Manager of Nunyara Aboriginal Health Unit for the Central Coast Local Health District. Steve has a 20 year background in Aboriginal Drug and Alcohol work and was inducted into the National Indigenous Drug and Alcohol Honour Roll in 2012 at the National Indigenous Drug Alcohol conference in Fremantle. Steve was awarded the First Peoples award at the Australasian Professional Society on Alcohol and other Drugs (APSAD) conference in Brisbane in 2013.

Steve is a member of the NSW Aboriginal Directors and Managers Strategic Leadership Group and previously lectured at Sydney University as an Adjunct lecturer. Steve is a Board member of KARI, the largest Indigenous Out of Home care service in Australia. Steve also has co authored a handbook for Aboriginal Alcohol and Drug Work. Steve is an Associate Investigator with the Centre of Research Excellence: Indigenous Health and Alcohol Research. He is past executive member of the NSW Drug and Alcohol Network Executive Committee.

Special Responsibilities

Steve served on the Investment Committee until December 2021 and the Governance and Remuneration Committee between January and June 2022.

# Foundation for Alcohol Research & Education Limited

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## Directors' Report For the Year Ended 30 June 2022

### Information on directors (continued)

Mr Tony Walker	Director
Qualifications	BA Australian National University (Politics/International Relations)
Experience	Tony was appointed as a Director of FARE on 25 October 2013.  Tony is a Vice Chancellor's Fellow at La Trobe University. He is a member of the board, the editorial board and is a foreign policy analyst for The Conversation. Tony is a former International Editor for The Australian Financial Review (AFR), Political Editor and Washington Correspondent. He has worked variously for the ABC, the Financial Times of London and The Age and Sydney Morning Herald. He has broadcast regularly on the ABC and BBC. He has served as bureau chief for the Financial Times and Australian newspapers in Beijing, Cairo and Washington.  Tony is a dual Walkley Award winner for commentary. He is the recipient of the Lyneham Award for excellence in Press Gallery Journalism. While in the Middle East Tony co wrote Behind the myth: Yasser Arafat and the Palestinian Revolution (W.H. Allen). He recently published The Peter Thomson Five (MUP.).  Tony was convener of the C.E.W. Bean Foundation. He is a Fellow of the Australian Institute of International Affairs. He was a recipient of the Centenary of Federation Medal in 2001. In 2021 Tony was awarded an Order of Australia and became a Fellow of the Australian Institute of International Affairs.
Special Responsibilities	Tony served on the Governance and Remuneration Committee until December 2021 and on the Investment Committee between January and June 2022.
Ms Jackie Trad	Director
Experience	Jackie was appointed as a Director on 26 November 2021.  Jackie was Deputy Premier of Queensland from 2015 to 2020 and Minister for various portfolios, including Transport, Trade, Planning, Local Government, Infrastructure and, most recently, Treasurer of Queensland and Minister for Aboriginal and Torres Strait Islander Partnerships. Jackie has led policy reform in many areas and brings to the Board a wealth of government, policy, and political experience.
Special Responsibilities	Jackie served as a member of the Investment Committee from January 2022.
Mr Jono Nicholas	Director
Qualifications	BA (Hons), MPH
Experience	Jono was appointed as a Director of FARE on 19 October 2011.  Jono is the Founder and Managing Director of the Wellbeing Outfit, a consulting firm that helps organisations improve performance by improving the wellbeing of their people. He founded the Wellbeing Outfit after stepping down as CEO of ReachOut Australia in 2018 after 10 years in the role. Jono is the Chief Mental Health Advisor – EY Oceania.
Special Responsibilities	Nil

**Foundation for Alcohol Research & Education Limited**

ABN: 91 096 854 385

**Directors' Report  
For the Year Ended 30 June 2022**

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profit Commission ACT 2012 for the year ended 30 June 2022 has been received and can be found on page 11 of the financial statements.

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



Director: .....



Director: .....

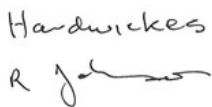
Dated: 8 December 2022

## **Auditor's Independence Declaration under s 60-40(1) of the Australian Charities and Not-for-profit Commission Act 2012 to the Responsible Persons of the Foundation for Alcohol Research & Education Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profit Commission ACT 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwickes  
Chartered Accountants



Robert Johnson FCA  
Partner

8 December 2022  
Canberra

## Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	4	11,738,465	3,955,599
Administrative expenses		(477,450)	(383,534)
Depreciation and amortisation expense	5(a)	(171,006)	(171,197)
Employee benefits expense	5(b)	(2,503,932)	(2,535,354)
Finance costs	5(c)	(16,545)	(22,378)
Investment management fees		(145,811)	(141,959)
Occupancy expenses		(87,250)	(60,526)
Project payments		(9,356,345)	(2,336,104)
<b>(Loss) before income tax</b>		<b>(1,019,874)</b>	<b>(1,695,453)</b>
Income tax expense		-	-
<b>(Loss) for the year</b>		<b>(1,019,874)</b>	<b>(1,695,453)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Fair value movements on investments held at FVOCI		(3,484,084)	4,885,317
<b>Other comprehensive income for the year</b>		<b>(3,484,084)</b>	<b>4,885,317</b>
<b>Total comprehensive income for the year</b>		<b>(4,503,958)</b>	<b>3,189,864</b>

The accompanying notes form part of these financial statements.

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	12,685,236	13,020,399
Trade and other receivables	7	496,759	164,338
TOTAL CURRENT ASSETS		<u>13,181,995</u>	<u>13,184,737</u>
NON-CURRENT ASSETS			
Other financial assets	11	26,736,711	30,625,275
Plant and equipment	8	101,288	143,244
Right of use assets	10(a)	269,870	393,774
TOTAL NON-CURRENT ASSETS		<u>27,107,869</u>	<u>31,162,293</u>
TOTAL ASSETS		<u>40,289,864</u>	<u>44,347,030</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	1,347,375	606,269
Lease liabilities	10(b)	121,103	114,807
Employee benefits	14	168,213	164,393
Contract liabilities	13	10,430,398	10,614,867
TOTAL CURRENT LIABILITIES		<u>12,067,089</u>	<u>11,500,336</u>
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	155,860	276,311
Employee benefits	14	14,230	13,740
TOTAL NON-CURRENT LIABILITIES		<u>170,090</u>	<u>290,051</u>
TOTAL LIABILITIES		<u>12,237,179</u>	<u>11,790,387</u>
NET ASSETS		<u>28,052,685</u>	<u>32,556,643</u>
<b>EQUITY</b>			
Reserves		1,911,617	5,395,701
Retained earnings		26,141,068	27,160,942
TOTAL EQUITY		<u>28,052,685</u>	<u>32,556,643</u>

The accompanying notes form part of these financial statements.

## Foundation for Alcohol Research & Education Limited

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### Statement of Changes in Equity For the Year Ended 30 June 2022

#### 2022

	Retained Earnings	FVOCI reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>27,160,942</b>	<b>5,395,701</b>	<b>32,556,643</b>
(Deficit) for the year	(1,019,874)	-	(1,019,874)
Total other comprehensive income for the year	-	(3,484,084)	(3,484,084)
<b>Balance at 30 June 2022</b>	<b>26,141,068</b>	<b>1,911,617</b>	<b>28,052,685</b>

#### 2021

	Retained Earnings	FVOCI reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>28,856,395</b>	<b>510,384</b>	<b>29,366,779</b>
(Deficit) for the year	(1,695,453)	-	(1,695,453)
Total other comprehensive income for the year	-	4,885,317	4,885,317
<b>Balance at 30 June 2021</b>	<b>27,160,942</b>	<b>5,395,701</b>	<b>32,556,643</b>

The accompanying notes form part of these financial statements.



# Foundation for Alcohol Research & Education Limited

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## Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers and employees	(12,727,792)	(6,495,052)
Funding development activities	370,568	140,858
Interest received	-	143
Finance costs	10(d) (16,545)	(21,461)
Project fund	11,003,706	6,055,665
Net cash (used in) operating activities	20(a) <u>(1,370,063)</u>	<u>(319,847)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net proceeds from investments	404,480	2,802,594
Interest & dividends received	895,533	984,805
Purchase of plant and equipment	8(a) (5,146)	(3,460)
Investment management fees	<u>(145,811)</u>	<u>(141,959)</u>
Net cash provided by investing activities	<u>1,149,056</u>	<u>3,641,980</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payment of lease liabilities	10(d) <u>(114,156)</u>	<u>(116,400)</u>
Net cash (used in) financing activities	<u>(114,156)</u>	<u>(116,400)</u>
Net increase in cash and cash equivalents held	(335,163) \$	3,205,733
Cash and cash equivalents at beginning of year	<u>13,020,399</u>	<u>9,814,666</u>
Cash and cash equivalents at end of financial year	6 <u><u>12,685,236</u></u> \$	<u>13,020,399</u>

The accompanying notes form part of these financial statements.

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

The financial statements covers the Foundation for Alcohol Research & Education Limited (the Company) as an individual entity. The Company is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements 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.

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

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

The Company is a Health Promotion Charity operating as a Company Limited by Guarantee and has an exemption from the Commissioner for Taxation and accordingly does not account for Income tax.

#### (b) Revenue and other income

##### Revenue from contracts with customers

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

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

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

##### Specific revenue streams

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

##### Operating grants

When the Company received operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(b) Revenue and other income (continued)**

###### **Specific revenue streams (continued)**

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 the statement of profit and loss and other comprehensive income when or as it satisfies its obligations under the contract.

###### **Interest income**

Interest income is recognised using the effective interest method.

###### **Dividend income**

The Company recognises dividends in profit or loss only when the Company's right to receive payment of the dividend is established.

##### **(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 payables are stated inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### (d) Plant and equipment

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

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

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

Plant and equipment are measured using the cost model.

##### Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets 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
Computer Equipment	25%
Furniture, Fixtures and Fittings	20%
Other Plant and Equipment	25%

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Financial instruments (continued)

###### Financial assets (continued)

- fair value through profit or loss - FVTPL
- 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.

###### *Fair value through other comprehensive income - Equity instruments*

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

###### *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.

The Company does not hold any assets that fall into this category.

###### *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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

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

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

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

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

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

###### *Trade receivables*

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

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

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

###### *Other financial assets measured at amortised cost*

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

###### **Financial liabilities**

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### (e) Financial instruments (continued)

###### Financial liabilities (continued)

The financial liabilities of the Company comprise trade payables and finance lease liabilities.

##### (f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

##### (g) Intangibles

###### Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of four years. It is assessed annually for impairment.

###### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### (h) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### (i) Leases

At inception of a contract, the Company assesses whether a lease exists.

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.

##### (j) Employee benefits

##### *Short-term employee provision*

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee 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.

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The Company's obligations for short-term employee benefits such as wages salaries are recognised as part of current trade and other payables in the statement of financial position.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Company is estimated to be less than the annual benefit for sick leave.



## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 2 Summary of Significant Accounting Policies (continued)

##### (j) Employee benefits (continued)

Contributions are made by the Company to complying superannuation funds and are charged as expenses when incurred.

##### *Other long-term employee benefits*

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

##### *Retirement benefit obligations*

All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution (currently 9.5 per cent of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

##### (k) Economic dependence

The Company was established by its members on 17 October 2001 and the FARE Constitution outlines its purpose and objectives.

The Company has an accumulated pool of funds which it is permitted to use for its continued existence and has established a capital fund to assist in ensuring the long-term sustainability of the Company.

##### (l) Related party disclosures

Grants awarded to organisations that the Company directors are directors and/or employees of are made at arm's length and are under the same terms and conditions as all grantees of the Company.

The Company directors of the related parties were not involved in the decision making process of the grants awarded to those organisations.

Tenders awarded to organisations that the Company directors are directors and/or employees of are made at

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies (continued)

**(l) Related party disclosures (continued)**

arm's length and are under the same terms and conditions as all service providers of the Company. The Company directors of the related parties were not involved in the decision making process of the tenders awarded to those organisations.

**(m) Fair value of assets and liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (that is unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (that is the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (that is the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

**2 Summary of Significant Accounting Policies (continued)**

**(n) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB 2020-1 Amendments to Australian Accounting Standards –Classifications of Liabilities as Current or Non-Current	1 July 2023	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	The amendment is not expected to have a material impact on the financial statements once adopted.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	1 July 2022	AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141.	The impact of the initial application is not yet known.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 July 2022	The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).	The impact of the initial application is not yet known.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **3 Critical Accounting Estimates and Judgments**

Those charged with governance make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgments 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 judgments made have been described below.

##### **Key estimates - impairment**

All assets are assessed for indicators of impairment each year. Refer to Note 2(f). No indicators of impairment were identified for the period ended 30 June 2022 (2021: nil).

##### **Key estimates - receivables**

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

##### **Key judgement - Lease term and Option to Extend under AASB 16**

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised are a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 4 Revenue and Other Income

	2022	2021
	\$	\$
<b>Funding development activities</b>		
- Donors/gifts/partnerships	370,440	139,860
- Merchandise and resources	128	998
<b>Total funding development activities</b>	<u>370,568</u>	<u>140,858</u>
<b>Funding</b>		
- Government funding	<u>10,156,275</u>	2,362,246
<b>Total funding</b>	<u>10,156,275</u>	<u>2,362,246</u>
<b>Finance revenue</b>		
<b>Investment income</b>		
- Dividend and interest	836,108	715,398
- Qualitas distribution	132,049	151,380
- Tax imputation credits	241,691	101,743
<b>- Total investment income</b>	<u>1,209,848</u>	<u>968,521</u>
<b>Total finance revenue</b>	<u>1,209,848</u>	<u>968,521</u>
<b>Other revenue</b>		
- JobKeeper subsidy	-	440,350
- Other revenue	1,774	43,624
	<u>1,774</u>	<u>483,974</u>
<b>Total Revenue and Other Income</b>	<u><u>11,738,465</u></u>	<u><u>3,955,599</u></u>

### 5 Expenses

The result for the year includes the following specific expenses:

#### (a) Depreciation and amortisation

		2022	2021
	Note	\$	\$
Computer equipment	8(a)	16,228	17,132
Other plant and equipment	8(a)	499	407
Furniture and fixtures	8(a)	30,375	30,349
Right of use asset	10(c)	123,904	123,309
<b>Total</b>		<u><u>171,006</u></u>	<u><u>171,197</u></u>

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 5 Expenses (continued)

#### (b) Employee benefits

	2022	2021
	\$	\$
Salaries & wages	2,126,078	2,166,851
Superannuation expense	208,164	200,799
Long service leave accrual	(9,406)	(14,147)
Directors' fees	158,012	163,973
Workers compensation	21,084	17,878
<b>Total</b>	<b>2,503,932</b>	<b>2,535,354</b>

#### (c) Finance costs

	2022	2021
	\$	\$
Interest expense on lease liabilities	16,545	22,378
<b>Total</b>	<b>16,545</b>	<b>22,378</b>

#### (d) Auditor remuneration

	2022	2021
	\$	\$
Audit fees	14,500	14,100
<b>Total</b>	<b>14,500</b>	<b>14,100</b>

### 6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Operating funds	1,085,450	570,529
Trust fund	-	2,420,286
Public fund	29,161	135,395
Interest fund	10,452,474	8,388,242
Fundraising fund	473	473
Debit account	827	827
Business online saver – bank guarantee	36,685	32,898
Merchant accounts	-	99
Paypal	1,701	798
Capital fund	1,078,465	1,470,852
<b>Total</b>	<b>12,685,236</b>	<b>13,020,399</b>

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# Foundation for Alcohol Research & Education Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 7 Trade and Other Receivables

	Note	2022 \$	2021 \$
CURRENT			
Trade receivables	15	124	434
Accrued income		85,512	13,696
Prepayments		86,802	67,698
Imputation Credits		324,321	82,510
<b>Total current trade and other receivables</b>		<b>496,759</b>	<b>164,338</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 8 Plant and equipment

	2022 \$	2021 \$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	151,876	151,876
Accumulated depreciation	(78,310)	(47,935)
Total furniture, fixtures and fittings	<b>73,566</b>	103,941
Computer equipment		
At cost	94,353	91,455
Accumulated depreciation	(69,416)	(53,188)
Total computer equipment	<b>24,937</b>	38,267
Other Plant and equipment		
At cost	7,597	5,349
Accumulated depreciation	(4,812)	(4,313)
Total Other Plant and equipment	<b>2,785</b>	1,036
<b>Total plant and equipment</b>	<b>101,288</b>	<b>143,244</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

**8 Plant and equipment (continued)**

**(a) Movements in carrying amounts of plant and equipment**

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

	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Other Plant and Equipment \$	Total \$
<b>Year ended 30 June 2022</b>				
Balance at the beginning of year	103,941	38,267	1,036	143,244
Additions	-	2,898	2,248	5,146
Depreciation expense	(30,375)	(16,228)	(499)	(47,102)
<b>Balance at the end of the year</b>	<b>73,566</b>	<b>24,937</b>	<b>2,785</b>	<b>101,288</b>

	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Other Plant and Equipment \$	Total \$
<b>Year ended 30 June 2021</b>				
Balance at the beginning of year	133,805	53,669	198	187,672
Additions	485	1,730	1,245	3,460
Depreciation expense	(30,349)	(17,132)	(407)	(47,888)
<b>Balance at the end of the year</b>	<b>103,941</b>	<b>38,267</b>	<b>1,036</b>	<b>143,244</b>

**9 Intangible Assets**

	2022 \$	2021 \$
Computer software		
Cost	16,960	16,960
Accumulated amortisation and impairment	(16,960)	(16,960)
<b>Net carrying value</b>	<b>-</b>	<b>-</b>



**Notes to the Financial Statements**  
**For the Year Ended 30 June 2022**

**10 Leases**

**(a) Right-of-use assets**

	Office Premise \$	Office Printer \$	Total \$
<b>Year ended 30 June 2022</b>			
At fair value	593,590	21,398	614,988
Accumulated depreciation	(330,853)	(14,265)	(345,118)
<b>Balance at end of year</b>	<b>262,737</b>	<b>7,133</b>	<b>269,870</b>
	Office Premise \$	Office Printer \$	Total \$
<b>Year ended 30 June 2021</b>			
At fair value	593,590	21,398	614,988
Accumulated depreciation	(214,081)	(7,133)	(221,214)
<b>Balance at end of year</b>	<b>379,509</b>	<b>14,265</b>	<b>393,774</b>

**(b) Lease liabilities**

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

	< 1 year \$	1 - 5 years \$	Total lease liabilities \$
<b>2022</b>			
Lease liabilities	121,103	155,860	276,963
<b>2021</b>			
Lease liabilities	114,807	276,311	391,118

**(c) Income Statement**

**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:

	2022 \$	2021 \$
Interest expense on lease liabilities	(16,545)	(22,378)
Depreciation of right-of-use assets	(123,904)	(123,309)
	<b>(140,449)</b>	<b>(145,687)</b>

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 10 Leases (continued)

#### (d) Statement of Cash Flows

	2022	2021
	\$	\$
Total cash outflow for leases	(114,156)	(116,400)

### 11 Other Financial Assets

	2022	2021
Note	\$	\$
NON-CURRENT		
Investments - Credit Suisse	24,619,029	28,116,033
Investments - Qualitas Private Debt Fund	2,113,797	2,505,810
Investments - Others	3,885	3,432
<b>Total other financial assets</b>	<b>26,736,711</b>	<b>30,625,275</b>

### 12 Trade and Other Payables

	2022	2021
Note	\$	\$
Current		
Trade payables	1,053,691	194,184
GST payable	166,494	111,139
Accrued expense	56,463	240,188
Credit card liability	2,135	377
Other payables	46,064	40,434
Superannuation liability	22,528	19,947
<b>Total trade and other payables</b>	<b>1,347,375</b>	<b>606,269</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 13 Contract Liabilities

	2022	2021
	\$	\$
CURRENT		
Grants received in advance	10,409,757	10,604,616
Unexpended interest	20,641	10,251
	<b>10,430,398</b>	<b>10,614,867</b>

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 14 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Long service leave	34,401	44,295
Provision for annual leave	133,812	120,098
	<u>168,213</u>	<u>164,393</u>
	2022	2021
	\$	\$
Non-current liabilities		
Provision for employee benefits	14,230	13,740
	<u>14,230</u>	<u>13,740</u>
a. Aggregate employee benefit liability	182,443	178,133
b. Number of employee benefits	22	22

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

The measurement and recognition criteria relating to employee benefits have been included in Note 2(j) to the financial statements.

### 15 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

#### Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 15 Financial Risk Management (continued)

- Cash at bank
- Bank overdraft
- Investments in listed shares
- Trade and other payables
- Lease liabilities

	Note	2022 \$	2021 \$
<b>Financial assets</b>			
<b>Held at amortised cost</b>			
Cash and cash equivalents	6	12,685,236	13,020,399
Trade and other receivables	7	124	434
Fair value through Other Comprehensive Income (OCI)		-	-
Investments	11	26,736,711	30,625,275
<b>Total financial assets</b>		<b>39,422,071</b>	<b>43,646,108</b>
<b>Financial liabilities</b>			
Financial liabilities at fair value		-	-
Trade and other payables	12	1,055,826	194,561
<b>Total financial liabilities</b>		<b>1,055,826</b>	<b>194,561</b>

#### Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of the Company's financial risk management framework. This includes oversight by the Investment committee and regular assessment of the portfolio and risk mitigation strategies.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The day-to-day risk management is carried out by the Company's finance function under policies and objectives which have been approved by those charged with governance. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate movements.

Mitigation strategies for specific risks faced are described below:

#### Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **15 Financial Risk Management (continued)**

##### **Liquidity risk (continued)**

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

##### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### *Trade receivables*

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Those charged with governance receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

# Foundation for Alcohol Research & Education Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 15 Financial Risk Management (continued)

#### Credit risk (continued)

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Company to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

### 16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of the Company during the year are as follows:

	2022	2021
	\$	\$
<b>Short-term employee benefits</b>		
Director fees	145,506	151,027
Executive salaries	376,731	292,942
<b>Total short-term employee benefits</b>	<b>522,237</b>	443,969
<b>Post employment benefits</b>		
Director superannuation	12,506	13,161
Executive superannuation	37,791	27,223
<b>Total post employment benefits</b>	<b>50,297</b>	40,384
<b>Total</b>	<b>572,534</b>	484,353

### 17 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor - Hardwicks Chartered Accountants, for:)		
- auditing & reviewing the financial statements	14,500	14,100
<b>Total</b>	<b>14,500</b>	14,100

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 18 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2022 (30 June 2021: None).

### 19 Related Parties

#### (a) Details of key management personnel

Mr Andrew Fairley AM	Chair of the Board until 1 October 2021
Mr Jono Nicholas	Resigned on 26 November 2021
Ms Teresa Dyson	Chair of the Investment Committee
Mr Tony Walker	Director
Mr Steve Ella	Director
Ms Kirstie Clements	Chair of the Governance & Remuneration Committee
Dr Nadine Ezard, Conjoint Professor	Director
Associate Professor Nicholas Carah	Deputy Chair of the Board, Chair of the Finance Audit and Risk Management Committee
Professor Simone Pettigrew	Resigned on 26 November 2021
Mr Mark Textor	Chair of the Board from 1 October 2021
Ms Tanya Hosch	Appointed 17 May 2021
Ms Jackie Trad	Appointed 26 November 2021
<b>Executive</b>	
Ms Caterina Giorgi	Chief Executive Officer
Mr Adam Knobel	Acting Chief Executive Officer (14 March 2022 to 15 July 2022)
Ms Ayla Chorley	Company Secretary (appointed on 26 November 2021)

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

# Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 20 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
(Loss) for the year	<b>(1,019,874)</b>	(1,695,453)
Cash flows excluded from (loss) attributable to operating activities		
- Investment income	<b>(895,533)</b>	(984,805)
- Investment expense	<b>145,811</b>	141,959
Non-cash flows in (loss):		
- depreciation	<b>171,007</b>	171,197
- financing item	-	916
- lease gain	-	(24,267)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(313,317)</b>	154,752
- (increase)/decrease in prepayments	<b>(19,104)</b>	(7,771)
- increase/(decrease) in income in advance	<b>(184,469)</b>	2,583,782
- increase/(decrease) in trade and other payables	<b>741,106</b>	(649,051)
- increase/(decrease) in employee benefits	<b>4,310</b>	(11,106)
Cashflows from operations	<b><u>(1,370,063)</u></b>	<b><u>(319,847)</u></b>

### 21 Events after the end of the Reporting Period

The Directors have determined that FARE remains in a healthy cash position and retained stable grants for the 2022 financial year.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the FARE.

### 22 Statutory Information

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

Foundation for Alcohol Research & Education Limited  
Level 1/40 Thesiger Court  
Deakin ACT 2600



**Foundation for Alcohol Research & Education Limited**

ABN: 91 096 854 385

**Responsible Persons' Declaration**

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

There are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable; and

- The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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



Responsible person: .....



Responsible person: .....

Dated: 8 December 2022

## Independent Audit Report to the members of Foundation for Alcohol Research & Education Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Foundation for Alcohol Research & Education Limited, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Foundation for Alcohol Research & Education Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

#### Responsibilities of Responsible Persons for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible persons either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

## Independent Audit Report to the members of Foundation for Alcohol Research & Education Limited

### Auditor's Responsibilities 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 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 the financial report.

#### Hardwickes

Chartered Accountants

*Hardwickes*

*R Johnson*

Robert Johnson FCA  
Partner

Canberra  
8 December 2022