Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Financial Statements

For the Year Ended 30 June 2021

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Contents

For the Year Ended 30 June 2021

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under s 60-40(1) of the Australian Charities and Not-for-profit Commission Act 2012	10
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15
Responsible Persons' Declaration	39
Independent Audit Report	40

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report
For the Year Ended 30 June 2021

The directors present their report on the Foundation for Alcohol Research & Education Limited (FARE) for the financial year ended 30 June 2021.

General information

Directors

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

Names	Appointed/Resigned
Mr Andrew Fairley AM	Appointed 24 May 2013
Mr Jono Nicholas	Appointed 19 October 2011
Ms Teresa Dyson	Appointed 22 February 2017
Mr Tony Walker	Appointed 25 October 2013
Mr Steve Ella	Appointed 25 October 2013
Ms Kirstie Clements	Appointed 30 June 2015
Dr Nadine Ezard, Conjoint Professor	Appointed 22 February 2017
Associate Professor Nicholas Carah	Appointed 23 March 2018
Professor Simone Pettigrew	Appointed 19 September 2018
Mr Mark Textor	Appointed 17 June 2019
Ms Tanya Hosch	Appointed 17 May 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.

Directors' Report

For the Year Ended 30 June 2021

General information

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 2021 was $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 2021 the collective liability of members was $550 (2020: $500).

Events after the reporting date

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

Since the end of the financial year, almost all staff have moved to remote working environments due to COVID-19. FARE has processes in place to support remote work and operations can continue with restrictions being adhered to.

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.

Directors' Report

For the Year Ended 30 June 2021

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	4	4	5	5	4	4	-	-
Mr Jono Nicholas	4	4	-	-	-	-	2	2
Ms Teresa Dyson	4	4	5	5	4	4	-	-
Mr Tony Walker	4	4	-	-	-	-	4	3
Mr Steve Ella	4	4	-	-	2	2	4	4
Ms Kirstie Clements	4	4	5	4	-	-	-	-
Dr Nadine Ezard, Conjoint Professor	4	4	5	5	-	-	-	-
Associate Professor Nicholas Carah	4	4	3	3	-	-	2	2
Professor Simone Pettigrew	4	4	2	2	2	2	2	2
Mr Mark Textor	4	4	-	-	4	4	2	2
Ms Tanya Hosch	1	1	-	-	-	-	-	-

Information on directors

Mr Andrew Fairley AM	Chair of the Board
Qualifications	LLB (Melb); Hon Doc (Deakin); FAICD; FAIST
Experience	Andrew was appointed as a Director of FARE on 24 May 2013 and appointed the Chair of FARE on 1 July 2013. He 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. He 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 Investment Committee to December 2020, then as a member of the Committee from January 2021. Andrew also served on the Finance, Audit and Risk Management Committee.

Directors' Report
For the Year Ended 30 June 2021

Information on directors

Mr Jono Nicholas	Deputy Chair of the Board until March 2021 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	Jono served as a Member of the Governance & Remuneration Committee from January 2021.
Ms Teresa Dyson	Director
Qualifications	LLB (Hons), BA, MTax, MAppFin, GAICD
Experience	Teresa was appointed as a Director of FARE on 22 February 2017. 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, Power & Water Corporation and Energy 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 Finance, Audit and Risk Management Committee until December 2020, then as a member of the Committee from January 2021. Teresa also served on the Investment Committee from August 2020 to November 2020 and as Chair from January 2021.

Directors' Report

For the Year Ended 30 June 2021

Information on directors

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. He 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.
Special Responsibilities	Tony served as the Chair of the Governance and Remuneration Committee from July to December 2020, then as a member of the Committee from January 2021.

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 from January 2021. Steve also served on the Governance and Remuneration Committee.

Directors' Report
For the Year Ended 30 June 2021

Information on directors

Ms Kirstie Clements	Director
Experience	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 on the Finance, Audit and Risk Management Committee.
Dr Nadine Ezard, Conjoint Professor	Director
Qualifications	FAChAM, 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 (FAChAM), Royal Australasian College of Physicians (RACP). Her 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. She 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.

Directors' Report

For the Year Ended 30 June 2021

Information on directors

Associate Professor Nicholas Carah	Director Deputy Chair from June 2021
Qualifications	PhD, Grad Cert. (Higher Education), B.Bus (Hons)
Experience	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 focusses 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 Tackling Alcohol Fuelled Violence legislation. At The University of Queensland Nicholas is Deputy Head of School of the School of Communication and Arts and 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 from January 2021 and served as Chair on the Governance and Remuneration Committee from July 2020 to December 2020.
Professor Simone Pettigrew	Director
Qualifications	BEc, M.Comm, PhD
Experience	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 she 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 advocacy work.
Special Responsibilities	Simone served on the Investment Committee and the Finance Audit and Risk Management Committee until December 2020. Simone served as Chair of the Governance and Remuneration Committee from January 2021.

Directors' Report
For the Year Ended 30 June 2021

Information on directors

Mr Mark Textor	Director
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 served on the Investment Committee from July 2020 and served on the Governance and Remuneration Committee from January 2021.
Ms Tanya Hosch	Director
Experience	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. Ms Hosch 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, the AFL's Gender Action Plan and the Gender Diversity Policy. Tanya is a Co-Chair of the Indigenous Advisory Group of the National Australia Bank and is a Board Director of Circus Oz, and 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.
Special Responsibilities	Tanya served on the Governance and Remuneration Committee from May 2021.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2021

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 2021 has been received and can be found on page 10 of the financial statements.

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

Director: .... Director: ....

Dated: 26 November 2021

Hardwickes
more than accounting

6 Phipps Close Deakin ACT 2600
PO Box 322 Curtin ACT 2605

T 02 6282 5999
E info@hardwickes.com.au

www.hardwickes.com.au

Hardwickes
ABN 35 973 938 183

Hardwickes Partners Pty Ltd
ABN 21 008 401 536

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 2021, 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

R Johnson

Robert Johnson FCA
Partner

26 November 2021

Canberra

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Revenue	4	**3,955,599**	2,087,179
Administrative expenses		**(310,170)**	(335,718)
Depreciation and amortisation expense	5(a)	**(171,197)**	(155,970)
Employee benefits expense		**(2,588,110)**	(2,825,446)
Finance costs	5(d)	**(22,378)**	(47,650)
Investment management fees		**(141,959)**	(145,487)
Occupancy expenses		**(60,526)**	(84,798)
Project payments		**(2,356,712)**	(1,294,817)
(Loss) before income tax		**(1,695,453)**	(2,802,707)
Income tax expense		**-**	-
(Loss) for the year		**(1,695,453)**	(2,802,707)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value movements on investments held at FVOCI		**4,885,317**	(1,114,298)
Other comprehensive income for the year		**4,885,317**	(1,114,298)
Total comprehensive income for the year		**3,189,864**	(3,917,005)

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 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**13,020,399**	9,814,666
Trade and other receivables	7	**164,338**	311,319
TOTAL CURRENT ASSETS		**13,184,737**	10,125,985
NON-CURRENT ASSETS			
Other financial assets	11	**30,625,275**	28,542,552
Plant and equipment	8	**143,244**	187,672
Right of use assets	10	**393,774**	739,528
TOTAL NON-CURRENT ASSETS		**31,162,293**	29,469,752
TOTAL ASSETS		**44,347,030**	39,595,737
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**606,269**	1,255,319
Lease liabilities	13	**114,807**	98,915
Provisions	15	**164,393**	160,245
Contract liabilities	14	**10,614,867**	8,030,684
TOTAL CURRENT LIABILITIES		**11,500,336**	9,545,163
NON-CURRENT LIABILITIES			
Lease liabilities	13	**276,311**	654,801
Provisions	15	**13,740**	28,994
TOTAL NON-CURRENT LIABILITIES		**290,051**	683,795
TOTAL LIABILITIES		**11,790,387**	10,228,958
NET ASSETS		**32,556,643**	29,366,779
EQUITY			
Reserves		**5,395,701**	510,384
Retained earnings		**27,160,942**	28,856,395
TOTAL EQUITY		**32,556,643**	29,366,779

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

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

2020

	Retained Earnings $	FVOCI reserve $	Total $
Balance at 1 July 2019	30,398,618	2,861,485	33,260,103
Restatement due to adoption of AASB 16	23,681	-	23,681
Balance at 1 July 2019 restated	30,422,299	2,861,485	33,283,784
(Deficit) for the year	(2,802,707)	-	(2,802,707)
Transfers from FVOCI to retained earnings	1,236,803	(1,236,803)	-
Total other comprehensive income for the year	-	(1,114,298)	(1,114,298)
Balance at 30 June 2020	28,856,395	510,384	29,366,779

Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		**(6,495,052)**	(4,367,014)
Funding development activities		**140,858**	189,355
Interest received		**143**	67,882
Interest paid		**(21,461)**	(47,650)
Project fund		**6,055,665**	9,635,579
Net cash (used in)/provided by operating activities	21(a)	**(319,847)**	5,478,152
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net proceeds from investments		**2,802,594**	1,960,290
Interest & dividends received		**984,805**	1,273,715
Purchase of plant and equipment	8(a)	**(3,460)**	(207,794)
Investment management fees		**(141,959)**	(145,487)
Net cash provided by investing activities		**3,641,980**	2,880,724
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal payment of lease liabilities	10	**(116,400)**	(83,400)
Net cash (used in) financing activities		**(116,400)**	(83,400)
Net increase in cash and cash equivalents held		**3,205,733**	8,275,476
Cash and cash equivalents at beginning of year		**9,814,666**	1,539,190
Cash and cash equivalents at end of financial year	6	**13,020,399**	9,814,666

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. The standards have had no material impact on the Company.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

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

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. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

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.

2 Summary of Significant Accounting Policies

(b) Revenue and other income

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.

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.

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

2 Summary of Significant Accounting Policies

(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.

(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).

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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

Classification

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

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

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

Amortised cost

- Assets measured at amortised cost are financial assets where:
- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 are 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

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets
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.

The Company does not hold any assets that falls 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

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.

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.

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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.

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.

2 Summary of Significant Accounting Policies

(g) Intangibles

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.

(i) Leases

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

This involves an assessment of whether:

The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Company has the right to direct the use of the 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

2 Summary of Significant Accounting Policies

(i) Leases

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.

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.

2 Summary of Significant Accounting Policies

(j) Employee benefits

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 arms 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.

2 Summary of Significant Accounting Policies

(m) Fair value of assets and liabilities

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.

(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:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1 Amendments to Australian Accounting Standards –Classifications of Liabilities as Current or Non-Current	1 July 2022	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.	Little impact expected but entities should consider the appropriate classification of liabilities as current or non-current.
AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 July 2021	This Standard is a stand-alone disclosure standard to be applied by all entities reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 which replaces the current Reduced Disclosure Requirements (RDR) framework.	No impact on reported financial position or performance.

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 2021 (2020: 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 judgments – COVID – 19

Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the incorporated association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Revenue and Other Income

	2021	2020
	$	$
Funding development activities		
- Donors/gifts/partnerships	**139,860**	185,313
- Merchandise and resources	**998**	4,042
Total funding development activities	**140,858**	189,355
Funding		
- Government funding	**2,362,246**	423,412
Total funding	**2,362,246**	423,412
Finance revenue		
Investment income		
- Dividend and interest	**715,398**	919,382
- Qualitas distribution	**151,429**	145,530
- Tax imputation credits	**101,743**	118,881
- Total investment income	**968,570**	1,183,793
Total finance revenue	**968,570**	1,183,793
Other revenue		
- JobKeeper subsidy	**440,350**	272,500
- Other revenue	**43,575**	18,119
	483,925	290,619
Total Revenue and Other Income	**3,955,599**	2,087,179

5 Expenses

The result for the year includes the following specific expenses:

(a) Depreciation and amortisation

	2021	2020
	$	$
Computer software	**-**	4,054
Computer equipment	**17,132**	14,562
Other plant and equipment	**407**	1,028
Furniture and fixtures	**30,349**	17,586
Right of use asset	**123,309**	118,740
Total	**171,197**	155,970

Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Expenses

(b) Employee benefits

	2021	2020
	$	$
Salaries & wages	**2,317,108**	2,509,574
Superannuation expense	**213,745**	226,969
Long service leave accrual	**(14,147)**	(36,193)
Workers compensation	**17,878**	19,021
Total	**2,534,584**	2,719,371

(c) Directors' expenses

	2021	2020
	$	$
Fees	**164,188**	191,625
Total	**164,188**	191,625

(d) Finance costs

	2021	2020
	$	$
Lease expense	**22,378**	47,650
Total	**22,378**	47,650

(e) Auditor remuneration

	2021	2020
	$	$
Audit fees	**14,100**	14,500
Total	**14,100**	14,500

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Cash and Cash Equivalents

	Note	2021 $	2020 $
Operating funds		**570,529**	56,759
Trust fund		**2,420,286**	8,250,808
Public fund		**135,395**	106,595
Interest fund		**8,388,242**	247,232
Fundraising fund		**473**	4,853
Debit account		**827**	877
Business online saver – bank guarantee		**32,898**	32,897
Merchant accounts		**99**	99
Corporate online account		**-**	24
Paypal		**798**	-
Capital fund		**1,470,852**	1,114,522
	16	**13,020,399**	9,814,666

7 Trade and Other Receivables

	Note	2021 $	2020 $
CURRENT			
Trade receivables	16	**434**	7,916
Provision for impairment		**-**	(5,371)
	16	**434**	2,545
Accrued income		**13,696**	93,711
Prepayments		**67,698**	59,927
Resources inventory[a]		**-**	55,489
Imputation Credits		**82,510**	99,647
Total current trade and other receivables		**164,338**	311,319

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.

a. The Company discontinued selling resources. As a result, resources inventory as at 30 June 2021 was written down from cost to its net realisable value of $nil

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Plant and equipment

	2021	2020
	$	$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	**151,876**	151,391
Accumulated depreciation	**(47,935)**	(17,586)
Total furniture, fixtures and fittings	**103,941**	133,805
Computer equipment		
At cost	**91,455**	89,725
Accumulated depreciation	**(53,188)**	(36,056)
Total computer equipment	**38,267**	53,669
Other Plant and equipment		
At cost	**5,349**	4,104
Accumulated depreciation	**(4,313)**	(3,906)
Total Other Plant and equipment	**1,036**	198
Total plant and equipment	**143,244**	187,672

(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
	$	$	$	$
Year ended 30 June 2021				
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)**
Balance at the end of the year	**103,941**	**38,267**	**1,036**	**143,244**

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Plant and equipment

(a) Movements in carrying amounts of plant and equipment

	Furniture, Fixtures and Fittings	Computer Equipment	Other Plant and Equipment	Total
	$	$	$	$
Year ended 30 June 2020				
Balance at the beginning of year	-	11,830	1,226	13,056
Additions	151,391	56,401	-	207,792
Depreciation expense	(17,586)	(14,562)	(1,028)	(33,176)
Balance at the end of the year	133,805	53,669	198	187,672

9 Intangible Assets

	2021	2020
	$	$
Computer software		
Cost	**16,960**	16,960
Accumulated amortisation and impairment	**(16,960)**	(16,960)
Net carrying value	**-**	-

10 Right of Use Assets

	2021	2020
	$	$
Right of use - office premise	**593,590**	836,870
Accumulated depreciation	**(214,081)**	(118,146)
	379,509	718,724

	2021	2020
	$	$
Right of use - office printer	**21,398**	21,398
Accumulated depreciation	**(7,133)**	(594)
	14,265	20,804
Total right of use assets	**393,774**	739,528

Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Right of Use Assets

Statement of Profit or Loss and Other Comprehensive Income

	2021	2020
	$	$
Interest expense on lease liabilities	**(22,378)**	(47,650)
Depreciation of right-of-use assets	**(123,309)**	(118,741)
	(145,687)	(166,391)

Statement of Cash Flows

	2021	2020
	$	$
Total cash outflow for leases	**(137,861)**	(131,050)

11 Other Financial Assets

	Note	2021	2020
		$	$
NON-CURRENT			
Investments - Credit Suisse		**28,116,033**	26,351,890
Investments - Qualitas Private Debt Fund		**2,505,810**	2,190,662
Investments - Others		**3,432**	-
Total other financial assets	16	**30,625,275**	28,542,552

12 Trade and Other Payables

	Note	2021	2020
		$	$
Current			
Trade payables	16	**194,184**	342,217
GST payable		**111,139**	743,318
Accrued expense		**240,188**	85,800
Credit card liability	16	**377**	-
Other payables		**40,434**	80,719
Superannuation liability		**19,947**	3,265
Total trade and other payables		**606,269**	1,255,319

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 Lease Liabilities

	2021	2020
	$	$
Current		
Lease obligation	**114,807**	98,915
	114,807	98,915

	2021	2020
	$	$
Non-Current		
Lease obligation	**276,311**	654,801
	276,311	654,801
Total lease liabilities	**391,118**	753,716

14 Contract Liabilities

	2021	2020
	$	$
CURRENT		
Grants received in advance	**10,604,616**	8,030,684
Unexpended interest	**10,251**	-
	10,614,867	8,030,684

15 Employee Benefits

	2021	2020
	$	$
Current liabilities		
Long service leave	**44,295**	43,188
Provision for annual leave	**120,098**	117,057
	164,393	160,245

	2021	2020
	$	$
Non-current liabilities		
Provision for employee benefits	**13,740**	28,994
	13,740	28,994
a. Aggregate employee benefit liability	**178,133**	189,239
b. Number of employee benefits	**22**	38

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

15 Employee Benefits

historical data.

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

16 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

Cash at bank

Bank overdraft

Investments in listed shares

Trade and other payables

Lease liabilities

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Financial Risk Management

	Note	2021 $	2020 $
Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	**13,020,399**	9,814,666
Trade and other receivables	7	**434**	2,545
Fair value through Other Comprehensive Income (OCI)		**-**	-
Other financial assets	11	**30,625,275**	28,542,552
Total financial assets		**43,646,108**	38,359,763
Financial liabilities			
Financial liabilities at fair value		**-**	-
Trade payables	12	**194,561**	342,217
Total financial liabilities		**194,561**	342,217

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.

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.

16 Financial Risk Management

Liquidity risk

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.

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

16 Financial Risk Management

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.

17 Key Management Personnel Remuneration

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

	2021	2020
	$	$
Short-term employee benefits		
Director fees	**151,027**	175,000
Executive salaries	**292,942**	418,410
Total short-term employee benefits	**443,969**	593,410
Post employment benefits		
Director superannuation	**13,161**	16,625
Executive superannuation	**27,223**	36,282
Total post employment benefits	**40,384**	52,907
Total	**484,353**	646,317

18 Auditors' Remuneration

	2021	2020
	$	$
Remuneration of the auditor - Hardwickes Chartered Accountants, for:)		
- auditing & reviewing the financial statements	**14,100**	14,500
Total	**14,100**	14,500

19 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2021 (30 June 2020: None).

20 Related Parties

(a) Details of key management personnel

Directors

Mr Andrew Fairley AM	Chair of the Board
Mr Jono Nicholas	Director
Ms Teresa Dyson	Chair of the Investment Committee
Mr Tony Walker	Director
Mr Steve Ella	Director
Ms Kirstie Clements	Chair of the Funding Committee
Dr Nadine Ezard, Conjoint Professor	Director
Associate Professor Nicholas Carah	Deputy Chair of the Board, Chair of the Finance Audit and Risk Committee
Professor Simone Pettigrew	Chair of the Governance and Remuneration Committee
Mr Mark Textor	Director
Ms Tanya Hosch	Director

Executive

Ms Caterina Giorgi	Chief Executive Officer
Ms Kristy Gosang	Chief Finance Officer (appointed on 8 October 2020, resigned 18 May 2021)

Key management personnel - refer to Note 17.

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.

21 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:

	2021	2020
	$	$
(Loss) for the year	**(1,695,453)**	(2,802,707)
Cash flows excluded from (loss) attributable to operating activities		
- Investment income	**(984,805)**	(1,273,715)
- Investment expense	**141,959**	145,487
Non-cash flows in (loss):		
- depreciation	**171,197**	155,970
- financing item	**916**	-
- lease gain	**(24,267)**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**154,752**	240,235
- (increase)/decrease in prepayments	**(7,771)**	9,091
- increase/(decrease) in income in advance	**2,583,782**	7,991,217
- increase/(decrease) in trade and other payables	**(649,051)**	1,009,613
- increase/(decrease) in employee benefits	**(11,106)**	2,961
Cashflows from operations	**(319,847)**	5,478,152

22 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.

Since the end of the financial year, almost all staff have moved to remote working environments due to COVID-19. FARE has processes in place to support remote work and operations can continue with restrictions being adhered to.

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.

23 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

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: 26 November 2021

Hardwickes
more than accounting

6 Phipps Close Deakin ACT 2600
PO Box 322 Curtin ACT 2605

T 02 6282 5999
E info@hardwickes.com.au

www.hardwickes.com.au

Hardwickes
ABN 35 973 938 183

Hardwickes Partners Pty Ltd
ABN 21 008 401 536

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 2021, 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 Company's financial position as at 30 June 2021 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 Company 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 Entities for the Financial Report

The responsible persons of the Company 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 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 responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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.

6 Phipps Close Deakin ACT 2600
PO Box 322 Curtin ACT 2605

T 02 6282 5999
E info@hardwickes.com.au

www.hardwickes.com.au

Hardwickes
ABN 35 973 938 183

Hardwickes Partners Pty Ltd
ABN 21 008 401 536

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 responsible entities.

- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Hardwickes

Chartered accountants

R Johnson

Robert Johnson FCA
Partner

Canberra
26 November 2021

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND