Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Financial Statements

For the Year Ended 30 June 2023

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

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For the Year Ended 30 June 2023

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Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2023

The Directors present their report on the Foundation for Alcohol Research & Education Limited (FARE) for the financial year ended 30 June 2023.

1. 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 Mark Textor	Appointed: 17 June 2019
Associate Professor Nicholas Carah	Appointed: 23 March 2018
Ms Teresa Dyson	Appointed: 22 February 2017
Ms Kristie Clements	Appointed: 30 June 2015
Mr Steve Ella	Appointed: 25 October 2013
Dr Tanya Hosch	Appointed: 17 May 2021
Ms Jackie Trad	Appointed: 26 November 2021
Associate Professor Shalini Arunogiri	Appointed: 5 December 2022
Professor Julia Quilter	Appointed: 5 December 2022
Conjoint Professor Nadine Ezard	Appointed 22 February 2017 Resigned: 6 September 2022
Mr Tony Walker AM	Appointed: 25 October 2013 Resigned: 5 December 2022

Principal activities

The principal activities outlined in FARE’s constitution are:

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

Directors' Report

For the Year Ended 30 June 2023

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

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (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 2023 was $26,763,387 (2022: $25,697,494).

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 2023 the collective liability of members was $550 (2022: $600).

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 2023/2024 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.

Directors' Report
For the Year Ended 30 June 2023

Information on Directors (continued)

Meetings of Directors

During the financial year, 18 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 Mark Textor	5	5	4	4	5	5	4	4
Associate Professor Nicholas Carah	5	5	4	4	-	-	-	-
Ms Teresa Dyson	5	3	4	4	5	5	-	-
Ms Kristie Clements	5	5	-	-	-	-	4	4
Mr Steve Ella	5	4	-	-	-	-	4	3
Dr Tanya Hosch	5	3	-	-	-	-	4	2
Ms Jackie Trad	5	5	-	-	5	5	-	-
Associate Professor Shalini Arunogiri	2	1	-	-	1	0	-	-
Professor Julia Quilter	2	2	1	1	-	-	-	-
Conjoint Professor Nadine Ezard	1	1	1	1	-	-	-	-
Mr Tony Walker AM	3	2	-	-	3	2	-	-

Information on Directors

Mr Mark Textor	Chair
Qualifications	Bec.
Experience	Mark was appointed as a Director of FARE on 17 June 2019.

Mark co-founded 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, India, Singapore, and Australia. Mark enjoys high level and trusted relationships with corporate, community and political leaders across the globe.

Mark was also a regular columnist for both the Sydney Morning Herald and The Australian Financial Review.

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, Dr. Richard B. Wirthlin.

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (continued)

	Mark has also provided significant assistance to NFP's focusing on road safety, help for the homeless and in numerous campaigns on recognising and empowering Indigenous Australians.
Special Responsibilities	Mark served as Chair of the Board and as a member of the Investment Committee, the Finance, Audit and Risk Committee, and the Governance and Remuneration Committee.
Associate Professor Nicholas Carah	Deputy Chair
Qualifications	PhD, Grad Cert (Higher Education), B.Bus (Hons)
Experience	Nicholas was appointed as 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 Fuelled 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.

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (continued)

Ms Teresa Dyson	Director
Qualifications	LLB (Hons), BA, MTax, MAppFin, FAICD
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 Seven West Media Ltd, Genex Power Ltd, Shine Justice Ltd, Entyr Ltd, Energy Queensland and Brighter Super. She is a member of the Gold Coast Hospital & Health Services Board and the Takeovers Panel.
Special Responsibilities	Teresa served as the Chair of the Investment Committee and as a Member of the Finance, Audit and Risk Management Committee.
Ms Kristie Clements	Director
Experience	Kristie was appointed as a Director of FARE on 30 June 2015. Kirstie is an author, journalist, speaker, and former editor in chief 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 2023 was an international bestseller. Kirstie has co-authored two reference books, In Vogue Australia: 50 Years of Australian Style, and The Australian Women's Weekly Fashion: The First 50 Years, for the National Library of Australia. Kirstie is currently employed as a freelance lifestyle journalist and copywriter and has published her sixth non-fiction book for Murdoch Books. She has a weekly column on the New Daily news website and is a lecturer in multi-media journalism at FBI College, Sydney.
Special Responsibilities	Kristie served as Chair of the Governance and Remuneration Committee.

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (continued)

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 has also co-authored 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 as a Member of the Governance and Remuneration Committee.
Dr Tanya Hosch	Director
Experience	Tanya was appointed a Director of FARE on 17 May 2021. 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, the AFL's Gender Action Plan and the Gender Diversity Policy.

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (continued)

	Tanya is a Co-Chair of the Indigenous Advisory Group of the National Australia Bank, a Director of the Australian Film, Television and Radio School, was a former Board Director of Circus Oz and was a member of the Referendum Council that led the process and final recommendation that resulted in The Uluru Statement from the Heart in May 2017. A career highlight was contributing as a Consultant on the ABC drama, Total Control where she later appeared in a cameo part in Season 2. In 2021, Tanya was listed at number 6 on the Australian Financial Reviews list of Australian Cultural Influencers. In December 2022, Tanya was awarded an Honorary Doctorate from Flinders University.
Special Responsibilities	Tanya served on the Governance and Remuneration Committee.
Ms Jackie Trad	Director
Experience	Jackie was appointed as a Director of FARE on 26 November 2021. Jackie is the former Deputy Premier of Queensland (2015 to 2020), Queensland Treasurer, and Minister for various portfolios, including Transport, Trade, Local Government, Infrastructure and Planning. Jackie was also Minister for Aboriginal and Torres Strait Islander Partnerships and commenced the Treaty process in Queensland. Jackie has led legislative and policy reform across the public policy spectrum and particularly in economic, social and environmental areas. Jackie brings to the Board a wealth of government, policy, and political experience.
Special Responsibilities	Jackie served as a member of the Investment Committee.
Associate Professor Shalini Arunogiri	Director
Qualifications	MBBS (Hons), FRANZCP (Cert. Addiction Psychiatry), PhD, MPsychiatry, MSc (Addiction Studies).
Experience	Shalini was appointed as a Director of FARE on 5 December 2022. Associate Professor Shalini Arunogiri is a clinical addiction psychiatrist and researcher. She is the Clinical Director of the Hamilton Centre - Victorian Statewide Centre for Addiction and Mental Health at Turning Point and Associate Professor at Monash University. She is Chair of the RANZCP Faculty of Addiction Psychiatry, board member for the International Society of Addiction Medicine, and NHMRC Emerging Leader Fellow at Monash Addiction Research Centre. She has over 50 peer reviewed publications and over $14M in research funding, following completion of her PhD in methamphetamine psychosis. Her work focuses on innovative pharmacological and psychosocial treatments for addiction.

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (continued)

Special Responsibilities	Shalini served as a member of the Investment Committee effective from 6 February 2023.
Professor Julia Quilter	Director
Qualifications	BA (Hons), LLB, PhD
Experience	Julia was elected as a Director of FARE on 5 December 2022. Julia is an expert on criminal law and policy responses to alcohol-related violence and sexual violence. After completing her PhD in 2000, Julia spent a decade practising criminal and public law as both a solicitor at the NSW Crown Solicitor's Office and as a barrister at the NSW Solicitor General and Crown Advocate's Chambers. She returned to academia in 2010 and is currently a Professor in the School of Law at the University of Wollongong. Julia leads an Australian Research Council-funded project, 'Intoxication Evidence in Rape Trials: A Double-Edged Sword?', which is the first Australian multi-jurisdictional study of sexual assault trials and how evidence of intoxication is used in such trials. She has recently completed commissioned reports for the Victorian Law Reform Commission's inquiry into 'Improving the Response of the Justice System to Sexual Offences', and for the NSW Department of Communities and Justice on the experiences of complainants in adult sexual offence trials in NSW. She also leads the alcohol and violence theme of a collaborative national study of 'Violence, Risk and Safety: The Changing Face of Australian Criminal Laws' (also funded by the Australian Research Council). Julia is committed to research translation by engaging with the judiciary, legal profession, and government, contributing to parliamentary and law reform commission inquiries, and serving as an expert media commentator. She is a graduate of the University of Sydney (Arts, Honours Class 1 English & University Medal, 1993), the University of New South Wales (Bachelor of Laws & the University Medal, 2000) and Monash University (Doctor of Philosophy, 2000).
Special Responsibilities	Julia served as a Member of the Finance, Audit and Risk Management Committee effective from 6 February 2023.

Directors' Report
For the Year Ended 30 June 2023

Information on Directors (continued)

Conjoint Professor Nadine Ezard	Director
Qualifications	FAChAM, PhD, MPH MBBS
Experience	Conjoint Professor Nadine was appointed a Director of FARE on 22 February 2017. Conjoint Professor 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). Conjoint Professor 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. Conjoint Professor 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	Conjoint Professor Nadine served on the Finance, Audit and Risk Management Committee until September 2022.
Mr Tony Walker AM	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.

Directors' Report

For the Year Ended 30 June 2023

Information on Directors (continued)

Special Responsibilities	Tony Served on the Investment Committee until December 2022.

Directors' Report

For the Year Ended 30 June 2023

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 2023 has been received and can be found on page 12 of the financial statements.

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

Director:

Mark Textor, Board Chair.

Director: .

Nicholas Carah, Chair of the Finance Audit and Risk Management Committee

Dated:27/11/2023

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF FOUNDATION FOR ALCOHOL RESEARCH & EDUCATION LIMITED

As lead auditor of Foundation for Alcohol Research & Education Limited, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

James Barrett, CA
Canberra, ACT
Registered Company Auditor
BellchambersBarrett

Dated this 27 day of November 2023

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue	4	**11,601,596**	11,738,465
Administrative expenses		**(440,056)**	(477,450)
Depreciation and amortisation expense	5(a)	**(171,782)**	(171,006)
Employee benefits expense	5(b)	**(2,645,227)**	(2,503,932)
Finance costs	5(c)	**(10,638)**	(16,545)
Investment management fees		**(97,984)**	(145,811)
Occupancy expenses		**(75,287)**	(87,250)
Project payments		**(8,664,411)**	(9,356,345)
(Loss) before income tax		**(503,789)**	(1,019,874)
Income tax expense	2(a)	**-**	-
(Loss) for the year		**(503,789)**	(1,019,874)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value movements on investments held at FVOCI		**2,297,934**	(3,484,084)
Other comprehensive income for the year		**2,297,934**	(3,484,084)
Total comprehensive income for the year		**1,794,145**	(4,503,958)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**8,316,414**	12,685,236
Trade and other receivables	7	**265,897**	496,759
TOTAL CURRENT ASSETS		**8,582,311**	13,181,995
NON-CURRENT ASSETS			
Other financial assets	11	**25,630,956**	26,736,711
Plant and equipment	8	**59,976**	101,288
Intangible assets	9	**1,366**	-
Right of use assets	10(a)	**145,965**	269,870
TOTAL NON-CURRENT ASSETS		**25,838,263**	27,107,869
TOTAL ASSETS		**34,420,574**	40,289,864
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**429,524**	1,347,375
Lease liabilities	10(b)	**123,191**	121,103
Employee benefits	14	**141,849**	168,213
Contract liabilities	13	**3,819,341**	10,430,398
TOTAL CURRENT LIABILITIES		**4,513,905**	12,607,089
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	**32,017**	155,860
Employee benefits	14	**27,822**	14,230
TOTAL NON-CURRENT LIABILITIES		**59,839**	170,090
TOTAL LIABILITIES		**4,573,744**	12,237,179
NET ASSETS		**29,846,830**	28,052,685
EQUITY			
Reserves		**4,209,551**	1,911,617
Retained earnings		**25,637,279**	26,141,068
TOTAL EQUITY		**29,846,830**	28,052,685

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings $	FVOCI reserve $	Total $
Balance at 1 July 2022	**26,141,068**	**1,911,617**	**28,052,685**
Loss for the year	**(503,789)**	**-**	**(503,789)**
Total other comprehensive income for the year	**-**	**2,297,934**	**2,297,934**
Balance at 30 June 2023	**25,637,279**	**4,209,551**	**29,846,830**

2022

	Retained Earnings $	FVOCI reserve $	Total $
Balance at 1 July 2021	27,160,942	5,395,701	32,556,643
Loss for the year	(1,019,874)	-	(1,019,874)
Total other comprehensive income for the year	-	(3,484,084)	(3,848,084)
Balance at 30 June 2022	26,141,068	1,911,617	28,052,685

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		**(13,678,250)**	(12,727,792)
Funding development activities		**335,289**	370,568
Finance costs	10(c)	**(10,638)**	(16,545)
Project fund		**4,258,773**	11,003,706
Net cash (used in) operating activities	20(a)	**(9,094,826)**	(1,370,063)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net proceeds from investments		**3,403,689**	404,480
Interest & dividends received		**1,549,985**	895,533
Purchase of plant and equipment	8(a)	**(6,255)**	(5,146)
Purchase of intangible assets		**(1,677)**	-
Investment management fees		**(97,984)**	(145,811)
Net cash provided by investing activities		**4,847,758**	1,149,056
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal payment of lease liabilities	10(d)	**(121,754)**	(114,156)
Net cash (used in) financing activities		**(121,754)**	(114,156)
Net (decrease) in cash and cash equivalents held		**(4,368,822)**	(335,163)
Cash and cash equivalents at beginning of year		**12,685,236**	13,020,399
Cash and cash equivalents at end of financial year	6	**8,316,414**	12,685,236

The accompanying notes form part of these financial statements.

The financial statements cover 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:

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income

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.

2 Summary of Significant Accounting Policies (continued)

(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.

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

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

Financial assets

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

Classification

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

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

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.

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

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 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

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.

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

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.

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.

2 Summary of Significant Accounting Policies (continued)

(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.

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.

2 Summary of Significant Accounting Policies (continued)

(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 (continued)

(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 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).

2 Summary of Significant Accounting Policies (continued)

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

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.

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 2023 (2022: 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023	2022
	$	$
Funding development activities		
- Donors/gifts/partnerships	**335,221**	370,440
- Merchandise and resources	**68**	128
Total funding development activities	**335,289**	370,568
Funding		
- Government funding	**9,927,922**	10,156,275
Total funding	**9,927,922**	10,156,275
Finance revenue		
Investment income		
- Dividend and interest	**945,552**	836,108
- Qualitas distribution	**189,061**	132,049
- Tax imputation credits	**183,849**	241,691
Total investment income	**1,318,462**	1,209,848
Total finance revenue	**1,318,462**	1,209,848
Other revenue		
- Other revenue	**19,923**	1,774
	19,923	1,774
Total Revenue and Other Income	**11,601,596**	11,738,465

5 Expenses

The result for the year includes the following specific expenses:

(a) Depreciation and amortisation

	Note	2023	2022
		$	$
Computer equipment	8(a)	**16,095**	16,228
Other plant and equipment	8(a)	**1,097**	499
Furniture and fixtures	8(a)	**30,375**	30,375
Right of use asset	10(c)	**123,904**	123,904
Software		**311**	-
Total		**171,782**	171,006

5 Expenses (continued)

(b) Employee benefits

	2023	2022
	$	$
Salaries & wages	**2,233,770**	2,126,078
Superannuation expense	**239,567**	208,164
Long service leave accrual	**8,891**	(9,406)
Directors' fees	**145,207**	158,012
Workers compensation	**17,792**	21,084
Total	**2,645,227**	2,503,932

(c) Finance costs

	Note	2023	2022
		$	$
Interest expense on lease liabilities	10(c)	**10,638**	16,545
Total		**10,638**	16,545

(d) Auditor’s remuneration

	2023	2022
	$	$
Audit fees	**14,700**	14,500
Total	**14,700**	14,500

6 Cash and Cash Equivalents

	Note	2023	2022
		$	$
Operating funds		**731,175**	1,085,450
Public fund		**78,402**	29,161
Interest fund		**4,047,405**	10,452,474
Fundraising fund		**373**	473
Debit account		**827**	827
Business online saver – bank guarantee		**36,685**	36,685
Paypal		**2,072**	1,701
Capital fund		**3,419,475**	1,078,465
	15	**8,316,414**	12,685,236

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Trade and Other Receivables

	Note	2023 $	2022 $
CURRENT			
Trade receivables	15	**9,126**	124
Accrued income		**33,543**	85,512
Prepayments		**78,461**	86,802
Imputation Credits		**144,767**	324,321
Total current trade and other receivables		**265,897**	496,759

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

	2023 $	2022 $
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	**151,876**	151,876
Accumulated depreciation	**(108,685)**	(78,310)
Total furniture, fixtures and fittings	**43,191**	73,566
Computer equipment		
At cost	**99,420**	94,353
Accumulated depreciation	**(85,511)**	(69,416)
Total computer equipment	**13,909**	24,937
Other Plant and equipment		
At cost	**8,786**	7,597
Accumulated depreciation	**(5,910)**	(4,812)
Total Other Plant and equipment	**2,876**	2,785
Total plant and equipment	**59,976**	101,288

Notes to the Financial Statements

For the Year Ended 30 June 2023

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
	$	$	$	$
Year ended 30 June 2023				
Balance at the beginning of year	**73,566**	**24,397**	**2,785**	**101,288**
Additions	**-**	**5,067**	**1,188**	**6,255**
Depreciation expense	**(30,375)**	**(16,095)**	**(1,097)**	**(47,567)**
Balance at the end of the year	**43,191**	**13,909**	**2,876**	**59,976**

	Furniture, Fixtures and Fittings	Computer Equipment	Othe r Plant and Equipment	Total
	$	$	$	$
Year ended 30 June 2022				
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)
Balance at the end of the year	73,566	24,937	2,785	101,288

9 Intangible Assets

	2023	2022
	$	$
Computer software		
Cost	**18,637**	16,960
Accumulated amortisation and impairment	**(17,271)**	(16,960)
Net carrying value	**1,366**	-

10 Leases

(a) Right-of-use assets

	Office Premise $	Office Printer $	Total $
Year ended 30 June 2023			
At fair value	**593,590**	**21,398**	**614,988**
Accumulated depreciation	**(447,625)**	**(21,398)**	**(459,023)**
Balance at end of year	**145,965**	**-**	**145,965**

	Office Premise $	Office Printer $	Total $
Year ended 30 June 2022			
At fair value	593,590	21,398	614,988
Accumulated depreciation	(330,853)	(14,265)	(345,118)
Balance at end of year	262,737	7,133	269,870

(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 $
2023			
Lease liabilities	**123,191**	**32,017**	**155,208**
2022			
Lease liabilities	121,103	155,860	276.963

(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:

	2023 $	2022 $
Interest expense on lease liabilities	**(10,638)**	(16,545)
Depreciation of right-of-use assets	**(123,904)**	(123,904)
	(134,542)	(140,449)

10 Leases (continued)

(d) Statement of Cash Flows

	2023	2022
	$	$
Total cash outflow for leases	**(121,754)**	(114,156)

11 Other Financial Assets

	Note	2023	2022
		$	$
NON-CURRENT			
Investments - Credit Suisse		**-**	24,619,029
Investments – JBWere		**23,343,912**	
Investments - Qualitas Private Debt Fund		**2,282,901**	2,113,797
Investments - Others		**4,143**	3,885
Total other financial assets	15	**25,630,956**	26,736,711

12 Trade and Other Payables

	Note	2023	2022
		$	$
CURRENT			
Trade payables	15	**568,577**	1,053,691
GST payable		**(303,225)**	166,494
Accrued expense		**86,823**	56,463
Credit card liability	15	**1,869**	2,135
Other payables		**50,621**	46,064
Superannuation liability		**24,859**	22,528
Total trade and other payables		**429,524**	1,347,375

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

	2023	2022
	$	$
CURRENT		
Grants received in advance	**3,710,370**	10,409,757
Unexpended interest	**108,971**	20,641
	3,819,341	10,430,398

14 Employee Benefits

	2023 $	2022 $
Current liabilities		
Long service leave	**29,698**	34,401
Provision for annual leave	**112,151**	133,812
	141,849	168,213

	2023 $	2022 $
Non-current liabilities		
Provision for employee benefits	**27,822**	14,230
	27,822	14,230
a. Aggregate employee benefit liability	**169,671**	182,443
b. Number of employee benefits	**20**	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, and
- Market risk - interest rate risk.

15 Financial Risk Management (continued)

Financial instruments used

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

- Trade receivables
- Cash at bank
- Investments in listed shares
- Trade and other payables, and
- Lease liabilities.

	Note	2023 $	2022 $
Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	**8,316,414**	12,685,236
Trade and other receivables	7	**9,126**	124
Fair value through Other Comprehensive Income (OCI)			
Investments	11	**25,630,956**	26,736,711
Total financial assets		**33,956,496**	39,422,071
Financial liabilities			
Financial liabilities at fair value		**-**	
Trade and other payables	12	**570,446**	1,055,826
Total financial liabilities		**570,446**	1,055,826

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 Operations Director 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.

15 Financial Risk Management (continued)

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.

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.

15 Financial Risk Management (continued)

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 receive 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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Key Management Personnel Remuneration

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

	2023	2022
	$	$
Short-term employee benefits		
Director fees	**133,068**	145,506
Executive salaries	**350,010**	376,731
Total short-term employee benefits	**483,078**	522,237
Post employment benefits		
Director superannuation	**12,139**	12,506
Executive superannuation	**38,577**	37,791
Total post-employment benefits	**50,716**	50,297
Total	**533,794**	572,534

17 Auditors' Remuneration

	2023	2022
	$	$
Remuneration of the auditor – Bellchambers Barrett (2022: Hardwickes) for:		
- auditing & reviewing the financial statements	**14,520**	14,500
Total	**14,520**	14,500

18 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2023 (30 June 2022: None).

19 Related Parties

(a) Details of key management personnel

Mr Mark Textor	Chair of the Board
Associate Professor Nicholas Carah	Deputy Chair, Chair of the Finance, Audit and Risk Management Committee
Ms Teresa Dyson	Chair of the Investment Committee
Ms Kristie Clements	Chair of the Governance & Remuneration Committee
Mr Steve Ella	Director
Dr Tanya Hosch	Director
Ms Jackie Trad	Director
Associate Professor Shalini Arunogiri	Appointed: 5 December 2022
Professor Julia Quilter	Appointed: 5 December 2022
Conjoint Professor Nadine Ezard	Resigned: 6 September 2022
Mr Tony Walker AM	Resigned: 5 December 2022
Executive	
Ms Caterina Giorgi	Chief Executive Officer
Mr Adam Knobel	Acting Chief Executive Officer (1 July – 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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:

	2023	2022
	$	$
(Loss) for the year	**(503,789)**	(1,019,874)
Cash flows excluded from (loss) attributable to operating activities		
- Investment income	**(1,549,985)**	(895,533)
- Investment expense	**97,984**	145,811
Non-cash flows in (loss):		
- depreciation	**171,782**	171,007
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	**222,521**	(313,317)
- decrease/(increase) in prepayments	**8,341**	(19,104)
- (decrease) in income in advance	**(6,611,057)**	(184,469)
- (decrease)/increase in trade and other payables	**(917,851)**	741,106
- (decrease)/increase in employee benefits	**(12,772)**	4,310
Cashflows from operations	**(9,094,826)**	(1,370,063)

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 2023 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: ..

Mark Textor, Board Chair
....

Responsible person:....

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

Dated: 27/11/2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDATION FOR ALCOHOL RESEARCH & EDUCATION LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Foundation for Alcohol Research & Education Limited (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying 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* (the ACNC Act), including:

(i) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – and Division 60 of *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 ACNC Act and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOUNDATION FOR ALCOHOL RESEARCH & EDUCATION LIMITED

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional 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 registered entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity'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 registered entity to cease to continue as a going concern.

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

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

James Barrett, CA
Canberra, ACT
Registered Company Auditor
BellchambersBarrett

Dated this 27 day of November 2023