

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Financial Statements

For the Year Ended 30 June 2024

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Contents

For the Year Ended 30 June 2024

	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	11
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16
Responsible Persons' Declaration	40
Independent Audit Report	41

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report For the Year Ended 30 June 2024

The directors present their report on the Foundation for Alcohol Research & Education Limited (FARE) for the financial year ended 30 June 2024.

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

Principal activities

The principal activities outlined in FARE's constitution are:

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

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

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2024

Strategy for achieving the objectives

FARE will pursue the following four strategic objectives over the course of the *Strategic plan 2024-2027*:

- **Building individual capacity:** We support the capacity building of people who have experienced alcohol harm to drive change.
- **Raising community awareness:** We develop and deliver evidence-informed health campaigns and resources about alcohol harms and the health and wellbeing benefits of reducing alcohol use.
- **Driving policy change:** We advocate for evidence-informed laws, policies and programs that prevent and reduce harm from alcohol in Australia.
- **Increasing industry accountability:** We shine a light on harmful industry practices that fuel harm.

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 2024 was \$28,024,417 (2023: \$26,763,387).

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 2024 the collective liability of members was \$450 (2023: \$550).

2. Other items

Events after the reporting date

The Directors have determined that FARE remains in a healthy cash position and retained stable grants for the 2024/2025 financial year

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2024

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.

Meetings of directors

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	General		Finance Audit & Risk Management		Funding and Investment		Governance & Remuneration		Public Fund Committee	
	Number eligible to attend	Number attended	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	3	3	3	2	3	2	3	2	1	1
Associate Professor Nicholas Carah	3	3	3	2	-	1	-	1	1	1
Ms Teresa Dyson	3	2	3	3	3	3	-	-	1	1
Ms Kristie Clements	3	3	-	-	2	2	2	1	-	-
Mr Steve Ella	3	3	-	-	2	1	1	1	-	-
Dr Tanya Hosch	3	3	-	-	-	-	3	3	-	-
Ms Jackie Trad	3	3	2	2	1	1	-	1	-	-
Associate Professor Shalini Arunogiri	3	3	-	-	1	1	2	2	-	-
Professor Julia Quilter	3	3	1	1	-	-	2	2	1	1

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2024

Information on directors

Mr Mark Textor

Qualifications

Experience

Chair from 1 October 2021

Bec.

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 a 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.

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 Management Committee, the Governance and Remuneration Committee, and the Public Fund Committee.

Associate Professor Nicholas Carah

Qualifications

Experience

Deputy Chair from 26 March 2021

PhD, Grad Cert (Higher Education), B.Bus (Hons)

Nicholas was appointed a Director of FARE on 23 March 2018.

Nicholas' research examines the promotional culture and advertising model of digital media platforms. His work focuses in particular on the emerging forms of alcohol marketing taking place on social media platforms, and how they intersect with everyday drinking cultures and identities.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2024

Information on directors

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'. He is an Associate Investigator in the ARC Centre of Excellence for Automated Decision-Making and Society where he co-leads the Australian Ad Observatory project. He is also an co-lead of the Australian Research Data Commons' Australian Internet Observatory with six Australian universities as partners.

Nicholas is Director of the Centre for Digital Cultures and Societies in the Faculty of Humanities, Arts and Social Sciences and Associate Professor in the School of Communication and Arts at The University of Queensland. He is a recipient of a UQ Award for Teaching Excellence. He has published extensively on digital media platforms, advertising and branding, digital and algorithmic cultures, and alcohol marketing.

Special Responsibilities

Nicholas served as Deputy Chair of the Board, Chair of the Finance, Audit and Risk Management Committee, and Chair of the Public Fund Committee.

Ms Teresa Dyson

Qualifications

Experience

Director

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

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, Shine Justice 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 Funding and Investment Committee, and as a member on the Finance, Audit and Risk Management Committee, and the Public Fund Committee.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2024

Information on directors

Ms Kristie 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 of Vogue Australia and ex-features director of Harper's Bazaar Australia. Her memoir of three decades in fashion publishing, 'The Vogue Factor' (MUP) was released in 2013 and 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.

She is currently a contributing editor to Belle magazine and has published her sixth non-fiction book for Murdoch Books.

She is a business coach and mentor, and also lectures in multi-media journalism at FBI College, Sydney.

Special Responsibilities

Kirstie served as Chair of the Governance and Remuneration Committee and as a member of the Funding and Investment Committee.

Mr Steve Ella

Director

Qualifications

Mphil, GradDip, IndigHP

Experience

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

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

Steve is the District Director 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 and the Funding and Investment Committee.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report For the Year Ended 30 June 2024

Information on directors

Dr Tanya Hosch
Experience

Director

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

Ms Hosch was appointed as a Director of FARE on 17 May 2021. Ms Hosch is the Executive General Manager Inclusion and Social Policy at the Australian Football League (AFL). Ms Hosch has a long and distinguished history in Australian Indigenous policy, advocacy, and governance and is an accomplished public speaker. Before joining the AFL, as the first Indigenous person and second woman in its executive ranks in August 2016, Ms Hosch was the joint campaign director of the Recognise Movement for Constitutional Recognition. At the AFL, Ms Hosch's portfolios include Aboriginal and Torres Strait Islander issues, gender equality, sexuality and gender diversity, culturally diverse inclusion, racism, and sexism. She is tasked with advising the AFL National Aboriginal and Torres Strait Islander Advisory Council, the maintenance of the Respect and Responsibility Policy 2017, the AFL's Gender Diversity Policy.

Ms Hosch is a Co-Chair of the Indigenous Advisory Group of the National Australia Bank and is a Board Director the Australian Film, Television and Radio School, Council Member of the Australian National University and was a member of the Referendum Council that led the process and final recommendation that resulted in *The Uluru Statement of the Heart* in May 2017. A career highlight was contributing as a consultant on the ABC drama *Total Control*. In October 2020, Ms Hosch was announced as the South Australian of the Year for 2021. In December 2022, she was awarded an Honorary Doctorate from Flinders University.

Special Responsibilities

Tanya served as a member of the Governance and Remuneration Committee.

Ms Jackie Trad
Experience

Director

Jackie was appointed as a Director on 26 November 2021.

Jackie brings more than 30 years' experience in public policy, government, campaigning, communication and engagement. Jackie is the former Deputy Premier of Queensland, Former Queensland Treasurer, and held a variety of Ministerial Portfolios, including Transport, Trade, Local Government, Infrastructure and Planning.

Jackie also held the portfolio of Aboriginal and Torres Strait Islander Partnerships and during that time, commenced the Treaty process in Queensland, led the settlement of the historic Stolen Wages Class Action and developed the legislative recognition and protection of the ancient Torres Strait Islander child rearing practice of Meriba Omasker Kaziw Kazipa.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report

For the Year Ended 30 June 2024

Information on directors (continued)

Jackie has led legislative and policy reform across the public policy spectrum and particularly in economic, social and environmental areas, including the decriminalisation of abortion in Queensland and the protection of the Great Barrier Reef through the end of broad scale tree clearing and a prohibition on the dumping of dredge spoil in the marine park. She also led support for and the commencement of Queensland largest ever public transport project - Cross River Rail, and the establishment of Australia's first publicly-owned renewable energy company, CleanCo.

Jackie also led the Queensland Government's design of the response to the economic crisis brought on by COVID, which particularly helped and supported small businesses and workers during the pandemic to maintain operations and keep their jobs.

Jackie is proud to be supporting the work of FARE and believes that there is so much more to do to reduce the harms caused by alcohol in our community.

Special Responsibilities

Jackie served as Chair of the Finance, Audit and Risk Management Committee and as a member of the Funding and Investment Committee.

Associate Professor Shalini Arunogiri Qualifications

Director
MBBS (Hons), FRANZCP (Cert. Addiction Psychiatry),
PhD, MPsychiatry, MSc (Addiction Studies).

Experience

Shalini was appointed as a Director on 5 December 2022.

Associate Professor Shalini Arunogiri is a clinical addiction psychiatrist and researcher.

She is the Acting Executive 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, an elected board member and training officer for the International Society of Addiction Medicine, and NHMRC Emerging Leader Fellow at Monash Addiction Research Centre. She has over 60 peer reviewed publications and over \$20M in research funding as a chief investigator on studies for novel treatments for substance use disorder, following completion of her PhD in methamphetamine psychosis.

Shalini is a passionate advocate for clinician-researchers in mental health and addiction and enjoys mentoring health professionals in advancing their research careers.

Special Responsibilities

Shalini served as a member of the Investment Committee and the Governance and Remuneration Committee.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Directors' Report For the Year Ended 30 June 2024

Information on directors (continued)

Professor Julia Quilter
Qualifications
Experience

Director
BA (Hons), LLB, PhD
Julia was elected as a Director 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 Chair of the Governance and Remuneration Committee and a member of the Finance, Audit and Risk Management Committee and the Public Fund Committee.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385


Directors' Report
For the Year Ended 30 June 2024

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 2024 has been received and can be found on page 11 of the financial statements.

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

Director: 
BOARD CHAIR.

Director: 
DIRECTOR

Dated: 6/12/2024

6/12/2024

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 2024 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.



BellchambersBarrett



Jamie Glenn, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 9th day of December 2024

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4	7,508,312	11,601,596
Administrative expenses		(395,301)	(440,056)
Depreciation and amortisation expense	5(a)	(167,457)	(171,782)
Employee benefits expense	5(b)	(2,759,709)	(2,645,227)
Finance costs	5(c)	(5,021)	(10,638)
Investment management fees		(118,666)	(97,984)
Occupancy expenses		(109,018)	(75,287)
Project payments		(4,484,818)	(8,664,411)
(Loss) before income tax		(531,678)	(503,789)
Income tax expense	2(a)	-	-
(Loss) for the year		(531,678)	(503,789)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value movements on investments held at FVOCI		1,819,497	2,297,934
Other comprehensive income for the year		1,819,497	2,297,934
Total comprehensive income for the year		1,287,819	1,794,145

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 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,047,477	8,316,414
Trade and other receivables	7	474,285	265,897
TOTAL CURRENT ASSETS		4,521,762	8,582,311
NON-CURRENT ASSETS			
Other financial assets	11	29,751,149	25,630,956
Plant and equipment	8	70,448	59,976
Intangible assets	9	805	1,366
Right of use assets	10(a)	34,195	145,965
TOTAL NON-CURRENT ASSETS		29,856,597	25,838,263
TOTAL ASSETS		34,378,359	34,420,574
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	995,124	429,524
Lease liabilities	10(b)	34,511	123,191
Employee benefits	14	147,853	141,849
Contract liabilities	13	2,015,615	3,819,341
TOTAL CURRENT LIABILITIES		3,193,103	4,513,905
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	2,722	32,017
Employee benefits	14	47,885	27,822
TOTAL NON-CURRENT LIABILITIES		50,607	59,839
TOTAL LIABILITIES		3,243,710	4,573,744
NET ASSETS		31,134,649	29,846,830
EQUITY			
Reserves		6,029,048	4,209,551
Retained earnings		25,105,601	25,637,279
TOTAL EQUITY		31,134,649	29,846,830

The accompanying notes form part of these financial statements.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Retained Earnings	FVOCI reserve	Total
	\$	\$	\$
Balance at 1 July 2023	25,637,279	4,209,551	29,846,830
Loss for the year	(531,678)	-	(531,678)
Total other comprehensive income for the year	-	1,819,497	1,819,497
Balance at 30 June 2024	25,105,601	6,029,048	31,134,649

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

The accompanying notes form part of these financial statements.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(7,688,798)	(13,678,250)
Funding development activities	96,480	335,289
Finance costs	10(c) (5,021)	(10,638)
Project fund	4,380,689	4,258,773
Net cash (used in) operating activities	20(a) <u>(3,216,650)</u>	<u>(9,094,826)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds from investments	(2,300,694)	3,403,689
Interest & dividends received	1,550,649	1,549,985
Purchase of plant and equipment	8(a) (58,098)	(6,255)
Purchase of intangible assets	-	(1,677)
Investment management fees	(118,666)	(97,984)
Net cash (used in) / provided by investing activities	<u>(926,809)</u>	<u>4,847,758</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payment of lease liabilities	10(d) (125,478)	(121,754)
Net cash (used in) financing activities	<u>(125,478)</u>	<u>(121,754)</u>
Net (decrease) in cash and cash equivalents held	(4,268,937)	(4,368,822)
Cash and cash equivalents at beginning of year	8,316,414	12,685,236
Cash and cash equivalents at end of financial year	6 <u>4,047,477</u>	<u>8,316,414</u>

The accompanying notes form part of these financial statements.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

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

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

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 have been rounded to the nearest dollar.

2 Summary of Material 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:

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material 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.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies (continued)

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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 are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(d) Plant and equipment

Plant and equipment are measured on the costs basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss.

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	50%
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.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material 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 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.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material 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 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) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies (continued)

(g) Leases (continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Employee benefits

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies (continued)

(h) Employee benefits

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.

(i) 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.

(j) 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

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies (continued)

(k) Fair value of assets and liabilities

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2024

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 2024 (2023: nil).

Key estimates – receivables

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

Key judgement – Lease term and Option to Extend under AASB 16

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

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

4 Revenue and other income

	2024	2023
	\$	\$
Funding development activities		
- Donors/gifts/partnerships	96,480	335,221
- Merchandise and resources	-	68
Total funding development activities	<u>96,480</u>	<u>335,289</u>
Funding		
- Government funding	5,806,877	9,927,922
Total funding	<u>5,806,877</u>	<u>9,927,922</u>
Finance revenue		
Investment income		
- Dividend and interest	1,179,515	945,552
- Qualitas distribution	217,950	189,061
- Tax imputation credits	180,232	183,849
Total investment income	<u>1,577,697</u>	<u>1,318,462</u>
Total finance revenue	<u>1,577,697</u>	<u>1,318,462</u>
Other revenue		
- Other revenue	27,258	19,923
	<u>27,258</u>	<u>19,923</u>
Total revenue and other income	<u>7,508,312</u>	<u>11,601,596</u>

5 Expenses

The result for the year includes the following specific expenses:

(a) Depreciation and amortisation

	2024	2023
Note	\$	\$
Computer equipment	8(a) 15,708	16,095
Other plant and equipment	8(a) 1,619	1,097
Furniture and fixtures	8(a) 30,299	30,375
Right of use asset	10(c) 119,273	123,904
Software	558	311
Total	<u>167,457</u>	<u>171,782</u>

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

5 Expenses (continued)

(b) Employee benefits

	2024	2023
	\$	\$
Salaries & wages	2,317,571	2,233,770
Superannuation expense	252,529	239,567
Long service leave accrual	20,106	8,891
Directors' fees	148,756	145,207
Workers compensation	20,747	17,792
Total	2,759,709	2,645,227

(c) Finance costs

	2024	2023
	\$	\$
Interest expense on lease liabilities	5,021	10,638
Total	5,021	10,638

(d) Auditor's remuneration

	2024	2023
	\$	\$
Audit fees	17,800	14,700
Total	17,800	14,700

6 Cash and cash equivalents

	2024	2023
	\$	\$
Operating funds	727,880	731,175
Trust fund	1,271,386	-
Public fund	115,515	78,402
Interest fund	1,121,113	4,047,405
Fundraising fund	-	373
Debit account	-	827
Business online saver – bank guarantee	36,685	36,685
Paypal	10	2,072
Capital fund	774,888	3,419,475
Total cash and cash equivalents	4,047,477	8,316,414

15

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

7 Trade and other receivables

	Note	2024 \$	2023 \$
CURRENT			
Trade receivables	15	179,970	9,126
Accrued income		27,084	33,543
Prepayments		88,957	78,461
Imputation credits		178,274	144,767
Total current trade and other receivables		474,285	265,897

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

	2024 \$	2023 \$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	151,876	151,876
Accumulated depreciation	(138,984)	(108,685)
Total furniture, fixtures and fittings	12,892	43,191
Computer equipment		
At cost	153,208	99,420
Accumulated depreciation	(101,218)	(85,511)
Total computer equipment	51,990	13,909
Other plant and equipment		
At cost	13,094	8,786
Accumulated depreciation	(7,528)	(5,910)
Total other plant and equipment	5,566	2,876
Total plant and equipment	70,448	59,976

Notes to the Financial Statements

For the Year Ended 30 June 2024

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 2024				
Balance at the beginning of year	43,191	13,909	2,876	59,976
Additions	-	53,789	4,309	58,098
Depreciation expense	(30,299)	(15,708)	(1,619)	(47,626)
Balance at the end of the year	12,892	51,990	5,566	70,448

	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

9 Intangible assets

	2024 \$	2023 \$
Computer software		
Cost	18,637	18,637
Accumulated amortisation and impairment	(17,832)	(17,271)
Net carrying value	805	1,366

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Leases

(a) Right-of-use assets

	Office Premise \$	Office Printer \$	Total \$
Year ended 30 June 2023			
At fair value	593,590	7,503	601,093
Accumulated depreciation	(564,397)	(2,501)	(566,898)
Balance at end of year	29,193	5,002	34,195

	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

(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 \$
2024			
Lease liabilities	34,511	2,722	37,233
2023			
Lease liabilities	123,191	32,017	155,208

(c) Income statement

Statement of Profit or Loss and Other Comprehensive Income (OCI)

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2024 \$	2023 \$
Interest expense on lease liabilities	5,021	(10,638)
Depreciation of right-of-use assets	119,273	(123,904)
	124,294	(134,542)

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Leases (continued)

(d) Statement of cash flows

	2024	2023
	\$	\$
Total cash outflow for leases	<u>(125,478)</u>	<u>(121,754)</u>

11 Other financial assets

	2024	2023
Note	\$	\$
NON-CURRENT		
Investments – JBWere	27,249,529	23,343,912
Investments – Qualitas Private Debt Fund	2,498,124	2,282,901
Investments – Others	3,496	4,143
Total other financial assets	15 <u>29,751,149</u>	<u>25,630,956</u>

12 Trade and other payables

	2024	2023
Note	\$	\$
CURRENT		
Trade payables	15 892,527	568,577
GST payable	(94,198)	(303,225)
Accrued expense	118,342	86,823
Credit card liability	15 2,955	1,869
Other payables	50,749	50,621
Superannuation liability	24,749	24,859
Total trade and other payables	<u>995,124</u>	<u>429,524</u>

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

	2024	2023
	\$	\$
CURRENT		
Grants received in advance	1,781,383	3,710,370
Unexpended interest	234,232	108,971
Total contract liabilities	<u>2,015,615</u>	<u>3,819,341</u>

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

14 Employee benefits

	2024	2023
	\$	\$
Current liabilities		
Long service leave	29,741	29,698
Provision for annual leave	118,112	112,151
	<u>147,853</u>	<u>141,849</u>
	2024	2023
	\$	\$
Non-current liabilities		
Provision for employee benefits	47,885	27,822
	<u>47,885</u>	<u>27,822</u>
a. Aggregate employee benefit liability	195,738	169,671
b. Number of employee benefits	23	20

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(i) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

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	2024 \$	2023 \$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	4,047,477	8,316,414
Trade and other receivables	7	179,970	9,126
Fair value through OCI			
Investments	11	29,751,149	25,630,956
Total financial assets		33,978,596	33,956,496
Financial liabilities			
Financial liabilities at fair value			
Trade and other payables	12	895,482	570,446
Total financial liabilities		895,482	570,446

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

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.

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.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

16 Key Management Personnel (KMP) remuneration

The totals of remuneration paid to the KMP of the Company during the year are as follows:

	2024	2023
	\$	\$
Short-term employee benefits		
Director fees	136,265	133,068
Executive salaries	370,051	350,010
Total short-term employee benefits	506,316	483,078
Post employment benefits		
Director superannuation	12,491	12,139
Executive superannuation	40,705	38,577
Total post-employment benefits	53,196	50,716
Total	559,512	533,794

17 Auditors' remuneration

	2024	2023
	\$	\$
Remuneration of the auditor – BellchambersBarrett: - auditing & reviewing the financial statements	17,800	14,520
Total	17,800	14,520

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

18 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2024 (30 June 2023: 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 Public Fund Committee
Ms Teresa Dyson	Chair of the Investment Committee
Ms Kristie Clements	Chair of the Governance & Remuneration Committee
Ms Jackie Trad	Chair of the Finance, Audit and Risk Management Committee
Mr Steve Ella	Director
Dr Tanya Hosch	Director
Associate Professor Shalini Arunogiri	Director
Professor Julia Quilter	Director
Executive	
Ms Caterina Giorgi	Chief Executive Officer
Ms Ayla Chorley	Company Secretary

KMP remuneration – 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.

(b) Related party transactions

Associate Professor Nicholas Carah is a member of the entity's Board of Directors and is a supervisor on an Australian Research Council (ARC) grant that is administered to FARE through University of Queensland (UQ). The ARC Grant was awarded to a fellow who is employed by FARE. Both FARE and UQ are recipients of the funding.

Foundation for Alcohol Research & Education Limited

ABN: 91 096 854 385

Notes to the Financial Statements

For the Year Ended 30 June 2024

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:

	2024	2023
	\$	\$
(Loss) for the year	(531,678)	(503,789)
Cash flows excluded from (loss) attributable to operating activities		
- Investment income	(1,550,649)	(1,549,985)
- Investment expense	118,666	97,984
Non-cash flows in (loss):		
- depreciation	167,457	171,782
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(197,892)	222,521
- (increase)/decrease in prepayments	(10,496)	8,341
- (decrease) in income in advance	(1,803,726)	(6,611,057)
- increase/(decrease) in trade and other payables	565,601	(917,851)
- increase/(decrease) in employee benefits	26,067	(12,772)
Cashflows from operations	<u>(3,216,650)</u>	<u>(9,094,826)</u>

21 Events after the end of the reporting period

The Directors have determined that the Company remains in a healthy cash position and retained stable grants for the 2024 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 Company.

22 Statutory information

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

Foundation for Alcohol Research & Education Limited
Suite 3, Level 3
10 Rudd Street, Canberra, ACT 2601

Foundation for Alcohol Research & Education Limited


ABN: 91 096 854 385


Responsible Persons' Declaration

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

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

- The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
- Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person: 

Responsible person: 

Dated: 06/12/24

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 Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of material 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 2024 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 (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.

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 2024 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 – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 DIRECTORS 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.



BellchambersBarrett



Jamie Glenn, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 9th day of December 2024