

The Foundation for Young Australians

ABN 26 092 744 968

General Purpose Financial Report

For the year ended 31 December 2023

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Directors' Report

The Directors present their report together with the financial statements of The Foundation for Young Australians (the Company) for the financial year ended 31 December 2023 and the auditor's report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Appointed
J Glanville (Current Chair)	17 May 2022 (Appointed as Chair on 11 April 2024)
S Mostyn (Previous Chair)	24 May 2018 (Resigned 3 April 2024)
M Marcus (Deputy Chair)	24 May 2018
B Newstead	28 August 2017
K Liow	8 December 2017
K Angel	6 May 2021
G Vegesana	6 May 2021
Z Myers	17 May 2022
B Rind	17 May 2022
A Kirkland	30 May 2023 (Resigned 17 November 2023)

2. Company secretary

Che Bishop (BA, MA) was appointed to the role of Company Secretary on 9 June 2022. Sheridan Cooper was appointed to the role of Company Secretary on 1 April 2024.

3. Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors (or their nominees) of the Company during the financial year are:

	Number of Meetings Attended	Number of Meetings Held *
Alan Kirkland	3	4
Zoe Myers	9	9
Banok Rind	3	9
Grace Vegesana	9	9
Ken Liow	8	9
Sam Mostyn	8	9
Maya Marcus	8	9
Barry Newstead	9	9
Jason Glanville	6	9
Kergen Angel	9	9

(*) Reflects the number of meetings held during the time the Director held office during the year.

4. Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Directors' Report (continued)

5. Principal activities

The principal activities of the Company during the course of the financial year were committed to backing young people with the trust, skills, resources and connections to make change.

To effectively deliver on this commitment, the Company invests in the capacity of individuals and youth-led organisations, advocacy on issues that matter to young people, runs strategic initiatives and facilitates youth involvement in the co-design of services and solutions by community, government and philanthropic partners.

There were no significant changes in the nature of the activities of the Company during the year.

6. Review of the operations

Operating results

The loss of the Company after income tax is \$3,377 (2022: \$3,137,157).

7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

8. Dividends

Dividends paid or declared by the Company since the start of the year were \$Nil (2022: \$Nil).

9. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10. Likely developments

The Company will continue with initiatives, research and partnerships consistent with the strategy, and will assess proposals for further initiatives as directed by the Board.

Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company. During 2024, the YLab program will become a subsidiary company of the Company.

11. Indemnification and insurance of officers and auditors

Indemnifications

The Company has agreed to indemnify all current Directors and Officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or Officers of the Company, except where the liability arises out of conduct involving lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an auditor of the Company.

Insurance premiums

During the financial year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts for the year ended 31 December 2023. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been Directors of the Company. The Company has not paid premiums in respect of auditors' liability and legal expenses.

Directors' Report (continued)

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of contract.

12. Proceedings on behalf of the Company

There are no current proceedings on behalf of the Company.

13. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the Directors report for the financial year ended 31 December 2023.

14. Rounding off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and Directors report have been rounded off to the nearest dollar, unless otherwise stated.

This report is made out in accordance with a resolution of the Directors:



Jason Glanville
Director

Dated at Sydney this 27th day of May 2024.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of The Foundation for Young Australians

I declare that, to the best of my knowledge and belief, in relation to the audit of the Foundation For Young Australians for the financial year ended 31 December 2023 there have been:

- i. no contraventions of 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. no contraventions of any applicable code of professional conduct in relation to the audit.

A stylized signature in blue ink, appearing to be 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to be 'Amanda Bond'.

Amanda Bond

Partner

Melbourne

7 May 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

		2023	2022
	Note	\$	\$
REVENUE			
External income from operations	5	2,871,074	5,317,866
Other income		-	4,933,943
TOTAL REVENUE		2,871,074	10,251,809
EXPENDITURE			
Personnel expenses		(6,135,889)	(6,682,172)
Depreciation and amortisation expenses		(392,473)	(246,759)
Scholarships and grants paid		(638,618)	(259,290)
Program expenses (excluding personnel expenses)		(664,764)	(891,045)
Digital engagement and public relations		(135,939)	(172,033)
Research, monitoring and evaluation		(595,666)	(993,453)
Other expenses	6	(325,341)	(1,491,276)
TOTAL EXPENDITURE		(8,888,690)	(10,736,028)
LOSS FROM OPERATIONS		(6,017,616)	(484,220)
Finance income	7	6,485,369	2,765,545
Finance costs	7	(471,130)	(5,418,482)
NET FINANCE INCOME/(COST)		6,014,239	(2,652,937)
LOSS BEFORE INCOME TAX		(3,377)	(3,137,157)
Income tax expense		-	-
LOSS FOR THE YEAR		(3,377)	(3,137,157)
Other comprehensive income, net of tax		-	-
TOTAL COMPREHENSIVE INCOME		(3,377)	(3,137,157)

Statement of Financial Position

As at 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,385,153	4,665,104
Trade and other receivables	9	1,024,910	1,124,793
Term deposits		108,534	108,534
Contract assets	5	32,935	48,386
Other assets	10	1,829	67,302
TOTAL CURRENT ASSETS		3,553,361	6,014,119
NON-CURRENT ASSETS			
Other financial assets	11	56,724,150	54,469,806
Property, plant and equipment	12	1,363,799	1,661,796
TOTAL NON-CURRENT ASSETS		58,087,949	56,131,602
TOTAL ASSETS		61,641,310	62,145,721
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	428,455	520,182
Contract liabilities	14	127,579	198,420
Provisions	15	240,080	313,548
Lease liabilities	16	300,444	274,304
TOTAL CURRENT LIABILITIES		1,096,558	1,306,454
NON-CURRENT LIABILITIES			
Provisions	15	19,872	10,566
Lease liabilities	16	940,674	1,241,118
TOTAL NON-CURRENT LIABILITIES		960,546	1,251,684
TOTAL LIABILITIES		2,057,104	2,558,138
NET ASSETS		59,584,206	59,587,583
ACCUMULATED FUNDS			
Retained earnings		59,584,206	59,587,583
TOTAL ACCUMULATED FUNDS		59,584,206	59,587,583

Statement of Changes in Equity

For the year ended 31 December 2023

	Retained earnings	Total funds
	\$	\$
BALANCE AT 1 JANUARY 2022	62,724,740	62,724,740
COMPREHENSIVE INCOME		
Loss for the year	(3,137,157)	(3,137,157)
TOTAL COMPREHENSIVE INCOME	(3,137,157)	(3,137,157)
BALANCE AT 31 DECEMBER 2022	59,587,583	59,587,583
COMPREHENSIVE INCOME		
Loss for the year	(3,377)	(3,377)
TOTAL COMPREHENSIVE INCOME	(3,377)	(3,377)
Retained earnings	59,584,206	59,584,206
BALANCE AT 31 DECEMBER 2023	59,584,206	59,584,206

Statement of Cash Flows

For the year ended 31 December 2023

		2023	2022
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		3,442,841	2,758,055
Cash payments for scholarships & grants		(357,948)	(259,290)
Cash payments in the course of operations including to employees		(9,541,297)	(9,001,837)
NET CASH USED IN OPERATING ACTIVITIES		(6,456,404)	(6,503,072)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	7	78,167	77,290
Unit trust distributions received		4,528,997	685,859
Imputation credits received		-	186,942
Acquisition of property, plant and equipment	12	(94,476)	(86,122)
Cash investment		-	(1,997,522)
Proceeds on sale of property, plant and equipment		-	7,000,000
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		4,512,688	5,840,447
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(336,235)	(29,795)
NET CASH USED IN FINANCING ACTIVITIES		(336,235)	(29,795)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(2,279,951)	(692,420)
Cash and cash equivalents at the beginning of the year		4,665,104	5,357,524
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	2,385,153	4,665,104

Notes to the Financial Statements

For the year ended 31 December 2023

Note 1 Reporting entity

The Foundation for Young Australians (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is at Level 1, 136 Exhibition Street, Melbourne Victoria 3000.

The company is a not-for-profit entity and is primarily committed to improving the learning outcomes and life chances of young people. To effectively deliver on this commitment, the company undertakes research, delivers education initiatives, invests in individuals and youth-led organisations, and advocates on the issues that matter to young people.

Note 2 Basis of preparation

a) Statement of compliance

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-For-Profit Commission Act 2012 (ACNC Act)*. The general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure made by the Australian Accounts Standards Board and the *ACNC Act*.

These financial statements were authorised for issue by the Board of directors on the 6th day of May 2024.

b) Basis of measurement

The financial statements have been prepared on the historical costs unless otherwise stated in the notes.

c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency.

d) Use of judgements and estimates

The preparation of the financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the financial statements are summarised in the Notes.

i. Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- revenue recognition: whether revenue from contributions, donations and funding are recognised over time or at a point in time.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 2 Basis of preparation (continued)

ii. Assumptions and estimate uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

a) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted bid price at the reporting date.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

c) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Note 3 Material accounting policies

Changes in material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise. Changes in material accounting policies are described below:

Material accounting policy information

The Company adopted *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and have made updates to the relevant policies and information disclosed in 'Material Accounting Policies' (2022: Significant accounting policies) in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 January 2023 but they do not have a material effect on the Company's financial statements.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

Summary of material accounting policies

Apart from items described above, the Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

b) Revenue

Revenue includes contributions, donations and funding. Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Donations and contributions are recognised on a cash received basis. Government grant revenue and specified funding is accounted for as noted in (c) below. All other revenue is recognised as it accrues.

Nature and timing of satisfaction of performance obligations, including significant payment terms

Donations are received both with and without associated performance obligations.

External funding Corporate and Trusts & Foundations. The Company's service agreements are enforceable contracts with specific outcome and performance obligations. Invoicing is based on contractual milestones and usually payable within 30 days.

Consulting agreements with expenses incurred in advance: The Company's service agreements are enforceable contracts with specific outcome and performance obligations. Invoices are usually payable within 30 days.

Government grants The Company's government agreements are enforceable contracts with specific outcome and performance obligations. Invoices are usually payable within 30 days.

Program enrolments

Fees and rental with associated contractual obligations for rental, auspice arrangements and speaking engagements.

Revenue recognition under AASB 15 and AASB 1058

Revenue is recognised upon receipt for untied funding.

Revenue is recognised in proportion to the stage of completion of the transaction as at the reporting date and in connection to costs incurred. The remaining amount is recognised as a contract liability.

Revenue for consulting contracts is recognised when services have been delivered under the unique contractual requirements. In instances where the income remained outstanding for services delivered, the associated revenue is recognised in contract assets.

Revenue is recognised in proportion to the stage of completion of the transaction as at the reporting date and in connection to costs incurred. The remaining amount is recognised as a contract liability.

Revenue is recognised when services are provided.

Revenue is recognised when services are provided.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

b) Revenue (continued)

i. AASB 15 Revenue from contracts with customers

The Company has initially applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for Profit Entities and AASB 16 Leases, including any consequential amendments to other standards, from 1 January 2019.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time– requires judgement.

- Services contracts with funds paid in advance: revenue for these agreements are recognised when services are delivered under the contractual requirements. These requirements include timeframes and delivery outputs. Revenue received in advance of service delivery is classified as contract liabilities.
- Consulting agreements with unbilled amounts: revenue for consulting contracts is recognised when services have been delivered under the unique contractual requirements. In instances where the income remains outstanding for services delivered, the associated revenue is recognised in contract assets.

ii. AASB 1058 Income of not-for-profit entities

AASB 1058 replaces the income recognition requirements relating to private sector Not-for-Profit entities, as well as the majority of income recognition requirements relating to public sector Not-for-Profit entities previously reflected in AASB 1004 Contributions for financial years beginning 1 January 2019 onwards.

AASB 1058 establishes principles for not-for-profit entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-entity to further its objectives and to volunteer services received.

The accounting guidance applied is driven by whether the agreement is enforceable and contains performance obligations, NFP entities will assess assets to determine which standard is applicable for each individual agreement.

After a detailed assessment, there are no significant impacts relating to the application of this accounting standard.

c) Government grants and specified funding

Government grant income is recognised when the invoice is raised in accordance with the grant conditions (which occurs in the same year the service is provided by the Company). The corresponding grant expenditure incurred by the Company is recognised in profit or loss in the same period when the given revenue is recognised, and accrued for when there are residual funds which are committed or required to be refunded or re-distributed under the grant contract.

Contract Liabilities

Specified funding is recognised initially as contract liabilities when there is reasonable assurance that it will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised.

d) Income tax

The Company is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act (1997)* therefore no provision for income tax is necessary. The Company is entitled to a refund of dividend imputation credits which arise on the Company's investments.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

e) Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense.

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, unit trust distributions and imputation credits on funds invested. Interest income is recognised as it accrues in the profit and loss, using the effective interest method.

Finance costs comprise fair value losses on financial assets at fair value through profit or loss and investment management fees (except for impairment on trade receivables).

f) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

g) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

g) Property, plant and equipment (continued)

iii. Depreciation

An independent valuation of the building has been undertaken every three years to ensure that the carrying cost did not exceed market value. Depreciation is recognised on a diminishing value basis over the estimated useful lives of each part of an item of plant and equipment and on a straight-line basis over the estimated useful life of the building.

The estimated useful lives in the current and comparative years of property, plant and equipment are as follows:

Land and building	40 years
Plant and equipment	2-12 years
Right-of-use assets	over term of lease
Computer software	3 years
Leasehold Improvements	over term of the lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

h) Leases

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Policy applicable from 1 January 2019

At inception of a contract, the Company determines whether it is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The policy is applied to contracts entered into, on or after 1 January 2019.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

h) Leases (continued)

i. As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company present the right-of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in loans and borrowings in the statement of financial position.

As a lessee, the Company leases assets including property and IT equipment. Under AASB 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

h) Leases (continued)

ii. As a lessor

When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Company made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Company considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

iii. Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term under IAS17 & IFRIC4.

i) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL)).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

i) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets - business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

i) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. 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 other comprehensive income (OCI) and are never reclassified to profit or loss.

The Company classified its financial assets into one of the following categories: loans and receivables, held to maturity, available for sale; and at FVPL, and within this category as:

- held for trading;
- or designated as at FVTPL.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities in the category "at amortised cost" are mainly liabilities (borrowings) to banks and trade accounts payables.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

i) Financial instruments (continued)

iii. Derecognition (continued)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

j) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render service are discounted to their present value.

ii. Other long-term employee benefits

The Company's net obligation in respect of long service leave and annual leave provisions is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Company's obligations.

iii. Short-term employee benefits

Liabilities for employee benefits for wages and salaries represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as superannuation.

k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost.

l) Impairment

i. Financial assets

Financial instruments and contract assets

The Company recognises loss allowances for expected credit loss (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at fair value through other comprehensive income (FVOCI); and – contract assets.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

l) Impairment (continued)

i. Financial assets (continued)

The Company also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, 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, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in other comprehensive income (OCI).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3 Material accounting policies (continued)

l) Impairment (continued)

i. Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Note 4 Financial risk management

i. Overview

The Company has exposure to credit risk, liquidity risk, market risk and operational risk from its use of financial instruments.

This note presents information about the Company's exposure to these risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report and specifically in note 22.

ii. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established Sub-committees, which are responsible for developing and monitoring risk management policies. The Sub-committees report regularly to the Board of Directors on their activities.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 4 Financial risk management (continued)

iii. Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

iv. Investment management

The Company holds a portfolio of investments via a number of unit trusts. All investment transactions are carried out within the guidelines of the Investment Policy. The Investment policy contains long-term targets for the exposures gained via the unit trusts together with permissible ranges around these. The targets and ranges are intended to produce a suitable investment profile for the Company's financial aims.

The unit trusts are managed by Mercer Investments (November 2012 to present). Some of the unit trusts pursue strategies that aim to reduce the carbon intensity of the portfolio relative to standard practices, along with additional approaches to advance aims relating to socially responsible investing. The investment performance and activities of the manager are overseen by a Sub-committee, which is assisted by external advisors. In accordance with this strategy, investments are designated through the profit and loss because their performance is actively monitored and they are managed on a fair value basis.

v. Capital management

The Company is a company limited by guarantee and therefore the Company is not subject to any externally imposed capital requirements.

Note 5 Revenue

The Company generates revenue primarily committed to backing young people with the trust, skills, resources and connections to make change.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	2023	2022
	\$	\$
REVENUE STREAMS		
Donations	1,944,003	723,494
External funding	-	3,226,639
Consulting	863,467	1,301,430
Government grants	45,325	45,000
Fees and rental	18,279	21,303
	2,871,074	5,317,866

Notes to the Financial Statements

For the year ended 31 December 2023

Note 5 Revenue (continued)

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2023	2022
	\$	\$
Contract assets	32,935	48,386
Contract liabilities	127,579	198,421
	160,514	246,807

	2023	2022
	\$	\$
Recruitment	-	42,452
Office expenses and accommodation	6,815	379,842
Professional services and contractors	105,515	706,430
Program delivery	206,160	362,552
TOTAL OTHER EXPENSES	325,341	1,491,276

	2023	2022
	\$	\$
Interest income on bank deposits	78,167	77,290
Unit trust distributions	4,949,252	2,352,760
Imputation credits	214,663	335,495
Net change in fair value and sale of financial assets designated at fair value through the profit and loss	1,243,287	-
TOTAL FINANCE INCOME	6,485,369	2,765,545
Net change in fair value and sale of financial assets designated at fair value through the profit and loss	-	(5,045,546)
Interest on lease liabilities	(61,932)	(23,342)
Investment managers fees	(409,198)	(349,594)
TOTAL FINANCE COSTS	471,130	5,418,482
NET FINANCE INCOME/(COSTS)	6,014,239	(2,652,937)

Notes to the Financial Statements

For the year ended 31 December 2023

Note 8 Cash and cash equivalents

For the purpose of cash and cash equivalents in the statement of financial position and in the statement of cash flows comprises of below:

	2023	2022
	\$	\$
Bank balances	2,147,190	4,427,141
Cash held for guarantee	237,963	237,963
TOTAL CASH AND CASH EQUIVALENTS	2,385,153	4,665,104

	2023	2022
	\$	\$
Trade and other receivables	212,026	574,853
Imputation credits receivable	344,348	129,685
Unit trust distributions receivable	468,536	420,255
TOTAL TRADE AND OTHER RECEIVABLES	1,024,910	1,124,793

	2023	2022
	\$	\$
Prepayments	1,829	67,302
TOTAL OTHER ASSETS	1,829	67,302

	2023	2022
	\$	\$
MARKET VALUE AT YEAR END	56,724,150	54,469,806
Current	-	-
Non-current	56,724,150	54,469,806
TOTAL OTHER FINANCIAL ASSETS	56,724,150	54,469,806

Notes to the Financial Statements

For the year ended 31 December 2023

	Buildings	Plant and equipment	Computer software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Note 12 Property, plant and equipment					
COST OR DEEMED COST					
BALANCE AT 1 JANUARY 2022	4,002,533	628,723	262,893	191,104	5,085,253
Acquisitions	-	53,887	-	32,235	86,122
Right-of-use assets under AASB 16	1,598,340	-	-	-	1,598,340
Disposals	(4,002,533)	(482,369)	(15,730)	(191,105)	(4,691,737)
BALANCE AT 31 DECEMBER 2022	1,598,340	200,241	247,163	32,234	2,077,978
BALANCE AT 1 JANUARY 2023	1,598,340	200,241	247,163	32,234	2,077,978
Acquisitions	-	65,704	-	28,772	94,476
BALANCE AT 31 DECEMBER 2023	1,598,340	265,945	247,163	61,006	2,172,454
DEPRECIATION AND IMPAIRMENT LOSSES					
BALANCE AT 1 JANUARY 2022	(2,061,636)	(412,128)	(208,461)	(161,149)	(2,843,374)
Depreciation expense for the year	(33,831)	(82,479)	(17,962)	(4,318)	(138,590)
Amortisation of right-of-use assets under AASB 16	(106,557)	-	-	(1,612)	(108,169)
Disposals	2,095,467	397,287	15,729	165,468	2,673,951
BALANCE AT 31 DECEMBER 2022	(106,557)	(97,320)	(210,694)	(1,611)	(416,182)
BALANCE AT 1 JANUARY 2023	(106,557)	(97,320)	(210,694)	(1,611)	(416,182)
Depreciation/amortisation expense for the year	(319,668)	(52,368)	(12,035)	(8,402)	(392,473)
BALANCE AT 31 DECEMBER 2023	(426,225)	(149,688)	(222,729)	(10,013)	(808,655)
CARRYING AMOUNTS					
AT 31 DECEMBER 2022	1,491,783	102,921	36,469	30,623	1,661,796
AT 31 DECEMBER 2023	1,172,115	116,257	24,434	50,993	1,363,799

Leased plant and equipment and building

The Company leases property under a finance lease. These arrangements are not in the legal form of a lease, but are accounted for as such based on its terms and conditions (see Note 3(h)). The above classification of Buildings and Leasehold improvements are also disclosed under Note 16(a) as part of Right-of-use assets.

	2023	2022
	\$	\$
Note 13 Trade and other payables		
Trade, other payables and accruals	428,455	520,182
TOTAL TRADE AND OTHER PAYABLES	428,455	520,182

Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
	\$	\$
Note 14 Contract liabilities		
Contract liabilities	127,579	198,420
TOTAL CONTRACT LIABILITIES	127,579	198,420

Contract liabilities consists of deferred government grants or initiative funding for a specific purpose, the services for which have yet to be provided at balance date.

	2023	2022
	\$	\$
Note 15 Provisions		
CURRENT		
Liability for annual leave	199,496	243,754
Liability for long service leave	40,584	69,794
TOTAL CURRENT PROVISIONS	240,080	313,548
NON-CURRENT		
Liability for long service leave	19,872	10,566
TOTAL NON-CURRENT PROVISIONS	19,872	10,566

Defined contribution plans

The Company makes contributions to twenty-three employee choice or employer default superannuation funds which provide pension benefits for employees upon retirement. Contributions to defined contribution plans recognised as an expenses in profit of loss in 2023 were \$542,202 (2022: \$549,781).

Note 16 Leases

Leases as lessee (IFRS 16)

a) Right-of-use assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

Information about leases for which the Company is a lessee is presented below.

	Leasehold improvements	Building	Total
	\$	\$	\$
BALANCE AT 1 JANUARY 2023	30,623	1,491,784	1,522,407
Additions to right-of-use assets	28,772	-	28,772
Depreciation charge for the year	(8,402)	(319,668)	(328,070)
BALANCE AT 31 DECEMBER 2023	50,993	1,172,116	1,223,109

Notes to the Financial Statements

For the year ended 31 December 2023

Note 16 Leases (continued)

	2023	2022
b) Amounts recognised in profit and loss	\$	\$
Expenses relating to short-term leases and leases of low-value assets that are not recognised as right-of-use assets	54,865	47,632

c) Extension options

The Level 1, 136 Exhibition Street property lease contains extension options exercisable by the Company up to 3 months before the end of the non-cancellable contract period. The initial assessment was not to take up the option. The Company assesses during the lease period as to when it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in the circumstances within its control.

	2023	2022
d) Lease liabilities	\$	\$
CURRENT		
Lease liabilities	300,444	274,304
NON-CURRENT		
Lease liabilities	940,674	1,241,118

	2023	2022
e) Maturity analysis - contractual undiscounted cash flows	\$	\$
Lease liabilities are payable as follows:		
Less than one year	349,336	274,304
Between one and five years	997,738	1,241,118
TOTAL UNDISCOUNTED LEASE LIABILITIES AT 31 DECEMBER 2023	1,347,074	1,515,422

f) Finance lease

The Company has not entered into any leases as a lessor.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 17 Financial instruments

a) Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities.

		2023	2022
	Note	\$	\$
Financial assets measured at fair value through profit or loss	11	56,724,150	54,469,806
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash	8	2,385,153	4,665,104
Trade receivables	9	1,024,910	1,124,793
		3,410,063	5,789,897
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade payables	13	428,455	520,182
		428,455	520,182

b) Measurement of fair values

The valuation technique used in measuring fair values for financial instruments in the statement of financial position is mark to market based on the prevailing market valuation of the securities held through each of the unit trust interests.

Note 18 Contingencies

As at 31 December 2023, there existed no contingencies for the Company (2022: \$Nil).

Notes to the Financial Statements

For the year ended 31 December 2023

Note 19 Related parties

The following were key management personnel of the Company at any time during the current reporting period:

Non-executive directors

Name	Appointed
J Glanville (Current Chair)	17 May 2022 (Appointed as Chair on 11 April 2024)
S Mostyn (Previous Chair)	24 May 2018 (Resigned 3 April 2024)
M Marcus (Deputy Chair)	24 May 2018
B Newstead	28 August 2017
K Liow	8 December 2017
K Angel	6 May 2021
G Vegesana	6 May 2021
Z Myers	17 May 2022
B Rind	17 May 2022
A Kirkland	30 May 2023 (Resigned 17 November 2023)

Executives

2023

M Whelan	Acting Chief Executive Officer (from August 2023)
B Canny	Executive Director Ylab
L Carnie	Executive Director, Youth Action
C Bishop	Executive Director People, Finance & Operations
R Moore	Executive Director, First Nations
V Rouse	Executive Director, Strategy & Engagement
T Azaria	Acting Executive Director Civic and Cultural Engagement (from August 2023)
M Marcus	Executive Director (from July 2023)
N Moraitis	Chief Executive Officer (to August 2023)
T O'Connell Rapira	Executive Director, Movement Building (to February 2023)
S Mc Pherson	Acting Executive Director Strategy & Engagement (from August 2023)

2022

N Moraitis	Chief Executive Officer (from April 2020)
A Cairnduff	Acting Executive Director, Learning Creates Australia (from August 2021)*
B Lee	Executive Director Learning Creates Australia (from January 2020) returned from leave February 2022*
B Canny	Executive Director YLab (from April 2020) returned from leave April 2022
K Ross	Acting Executive Director YLab (until April 2022)
L Carnie	Executive Director, Advocacy (from November 2020)
L O'Connell Rapira	Executive Director, Capacity Building (from January 2021)
M Whelan	Executive Director Strategic Projects (from August 2020)
C Bishop	Executive Director People, Finance & Operations (from April 2022)
R Moore	Executive Director, First Nations (from March 2021)
V Rouse	Executive Director, Partnerships & Engagement (from February 2021)

* All Learning Creates Australia staff exited on 31 December 2022. An independent legal entity established from 1 January 2023.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 19 Related parties (continued)

i. Key management personnel compensation

Key management personnel compensation comprised short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits and share-based payments.

	2023	2022
	\$	\$
Total key management personnel compensation	1,602,127	1,919,876

ii. Other key management personnel transactions with the Company

There were no related party transactions with the Company during the year.

	2023	2022
	\$	\$
Note 20 Auditor's remuneration		

AUDIT SERVICES

Auditors of the Company - KPMG Australia

Audit of the financial report

TOTAL AUDITORS' REMUNERATION

53,000	42,800
53,000	42,800

Note 21 Accumulated funds

The Foundation for Young Australians is a Company limited by guarantee, which means that the Company was formed on the principle of having the liability of its members limited by the Constitution to the respective amounts that the members undertake to contribute to the property of the Company if it is wound up. Each member is liable to a maximum of \$50.

	2023	2022
	\$	\$
Note 22 Program expenditure commitments		

Within one year

-	198,420
-	198,420

Note 23 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

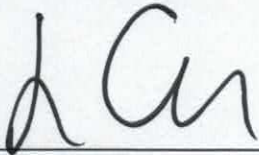
Directors Declaration

In the opinion of the Directors of The Foundation for Young Australians (the 'Company'):

- a) The Company is not publicly accountable;
- b) The financial statements and notes that as set out on pages 7 to 32 are in accordance with the *Australian Charities and Not-For-Profit Commissions Act 2012*, including:
 - i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance, for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-For-Profits Regulations 2013*.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Sydney this 7th day of May 2024.



Jason Glanville
Director



Independent Auditor's Report

To the members of The Foundation For Young Australians

Opinion

We have audited the **Financial Report** of The Foundation for Young Australians (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *with Division 60 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards –Simplified Disclosures Framework and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR).

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2023;
- 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, including material accounting policies;
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other Information

Other Information is financial and non-financial information in The Foundation for Young Australians' annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures and the ACNC*;
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error;
- Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

KPMG

Amanda Bond

Partner

Melbourne

7 May 2024