Annual Financial Report

The Foundation for Young Australians

ABN 26 092 744 968

31 December 2021

Contents

The Foundation for Young Australians
Directors' Report
For the year ended 31 December 2021

The Directors present their report together with the financial report of The Foundation for Young Australians ("the Company") for the year ended 31 December 2021 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:
S Mostyn (Chair) – appointed **24 May 2018**
L Armstrong - appointed **24 May 2018**
T Clark – appointed **17 June 2016** term completed **6 May 2021**
K Liow – appointed **8 December 2017**
S McCluskey – appointed **9 November 2015**
M Marcus – appointed **24 May 2018**
B Newstead – appointed **28 August 2017**
L Rodgers – appointed **24 May 2018** resigned **6 May 2021**
G Vegesana – appointed **6 May 2021**
K Angel – appointed **6 May 2021**

2. Company Secretary

Hayley Jacobson (Bsc, LLB, LLM, Grad Dip Legal Practice) was appointed to the role of Company Secretary on 1 June 2020.

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:

	No Meetings Attended	No Meetings Held*
S Mostyn (Chair)	6	6
L Armstrong	4	6
T Clark	2	2
K Liow	6	6
S McCluskey	5	6
M Marcus	6	6
B Newstead	6	6
G Vegesana	5	5
K Angel	5	5
L Rodgers	0	2

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

4. Principal activities

The Company is 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.

The net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs). Changes to significant accounting policies and the impact of applying the new standards are described in Note 4.

5. Operating and financial review

Overview of the Company

The Company recorded a gain of $3,478,555 for the financial year ended 31 December 2021 (2020: loss of $38,866).

In 2021, the realised gain on investments was $3,893,997, while in 2020, the loss position was predominantly attributable to the unrealised loss on investments of $165,821. Refer to note 19.

Finally, the organisation received $200,900 in JobKeeper payments during 2021. This support has been discontinued from March 2022.

6. Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

7. Dividends

The Company is not permitted to distribute dividends amongst its members and no such distributions have been made during the financial year.

8. Events subsequent to reporting date

As at 30 April 2022, the Foundation's investment portfolio had decreased its market value to $53,989,945 a decrease of 3.88 %.

On 23 March 2022 the Foundation entered into a contract for sale of the land and building asset at 29-31 Somerset Place, Melbourne VICTORIA. The sale price per the contract of sale was $7,000,000.

Other than the matters discussed above, 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 of the Company, to affect significantly in future financial years the operations of the Company, the results of those operations, or the state of affairs of the Company.

9. 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.

10. Objectives

Objectives of the entity

In 2021, FYA embarked on its new three year strategy - with a bold vision to shift the power of young people in Australia, beat injustice, and transform the future. Because If there ever was a time to back young people to create change, it is now.

Under our new strategy, our positioning is as a strategic intermediary fostering support for youth-led changemakers with the trust, resources, skills and connections to make change, while facilitating powerful investment opportunities for philanthropic partners. This is a strategy with serious intent, reflected in a significant commitment from our endowment over the next three years.

To deliver on our strategy we will play three main roles:
1. Back Youth Movements to Win Campaigns
2. Grow Civic and Cultural Engagement
3. Facilitate Co-Design with young people

To deliver on this strategy, FYA has eight dedicated teams leading projects and providing cross-cutting support.

Movement Building: backs youth-led movements through training, community events, fundraising and wellbeing support to build collective strength. During the year, the Movement Building team administered more than $1m in grants to young people and youth-focused projects, in partnership with the Australian Government Department of Education, Skills and Employment, and planned several new programs for launch in 2022.

Advocacy and Campaigns: backs campaigns led by young people to organise, campaign, research, lobby, be heard through the media and mobilise digitally to change policies and shift narratives. During 2021, examples of this work included backing young people campaigning for inclusion of consent education in the national curriculum, for the introduction of a climate jobs guarantee, and to protect country from climate change. FYA's Youth Media Centre trained 50+ young people in media skills and secured approximately 100 media placements for young advocates, from The Age and Junkee to The Drum.

Civic and Cultural Engagement: incubates new programs where young people have decision-making power in their schools, communities, media and cultural spaces. During the year, the team designed two major initiatives which will roll out from 2022 - a Young Mayor's program (in collaboration with University of Melbourne's Centre for Cities) and a Student Representative Council program (in collaboration with VicSRC and the SA Commissioner for Children and Young People).

10. Objectives (Continued)

YLab: a social enterprise that employs and trains young people with lived experience to work with clients to co-design and co-deliver policies, services and practices. YLab also has a dedicated First Nations practice area. During the year, YLab secured nearly $1.1m in client income and delivered projects in partnership with clients such as the Department of Health (Victoria) and the Australian Electoral Commission.

First Nations: supports self-determined movement and vision building, truth-telling and healing injustice in a First Nations run and controlled program of work. It also works closely with other teams on joint priorities. During the year, FYA developed a new First Nations strategy through consultation and engagement with diverse First Nations leaders (young and older) throughout the country.

Learning Creates Australia: a growing alliance, hosted for its first phase by FYA, in collaboration with major partners including the University of Melbourne, PWC, and the Paul Ramsay Foundation. The first project The Learner's Journey explores how we might recognise learning in ways that better reflect the diverse knowledge sets, skills and dispositions of all young people. During the year, Learning Creates Australia coordinated three co-design sprints as part of it's National Social Lab focused on prototyping new practice and policy; delivered 4 technical and policy papers and brought leaders from across all jurisdictions.

Partnerships & Engagement: promotes the story of young people's powerful role in positive change. They engage with philanthropists and other partners to attract funding -and influence their practices through thought leadership; they also manage online channels and market FYA programs. During the year, FYA adopted a a new brand, initiated a Youth Engagement Funder Network as a learning space for the philanthropic sector, and forged several new multi-year partnerships with co-investors.

Business Services: builds a strong, capable, adaptive organisation - including management of finance, people, operations, governance, strategy and learning. During the year, FYA adopted a new quarterly planning rhythm, a new set of values to guide our work, a new Investment Policy with heightened focus on ESG (environmental, social and governance considerations). We also conducted a significant review of our investment manager arrangements to ensure they were fit for purpose and cost effective.

11. Indemnification and insurance of officers and auditors

Indemnification

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 2021. 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.

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. 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.

13. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 48 and forms part of the Directors' report for the financial year ended 31 December 2021.

This report is made with a resolution of the directors:

Sam Mostyn
Director
Dated at Sydney this 26th day of May 2022

The Foundation for Young Australians
Statement of Financial Position
As at 31 December 2021

In Australian Dollars	**Note**	**2021**	**2020**
Assets			
Cash and cash equivalents	7	5,357,524	5,899,759
Trade and other receivables	8	1,071,869	1,002,710
Term deposits		108,534	108,534
Contract assets		24,192	51,552
Other assets	10	135,265	135,108
Total current assets		6,697,384	7,197,663
Other financial assets	9	56,167,328	52,653,420
Property, plant and equipment	11	2,241,029	2,401,419
Total non-current assets		58,408,357	55,054,839
Total assets		65,105,741	62,252,502
Liabilities			
Trade and other payables	12	403,611	470,347
Contract liabilities	14	1,568,857	2,101,074
Provisions	13	325,585	221,303
Lease liabilities	15	29,039	105,568
Total current liabilities		2,327,092	2,898,292
Provisions	13	53,909	78,986
Lease liabilities	15	-	29,039
Total non-current liabilities		53,909	108,025
Total liabilities		2,381,001	3,006,317
Net assets		62,724,740	59,246,185
Accumulated funds			
Retained earnings		62,724,740	59,246,185
Total accumulated funds		62,724,740	59,246,185

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 12 to 45.

The Foundation for Young Australians
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

In Australian Dollars	Note	2021	2020
Revenue			
External income from operations	16	6,722,850	7,757,504
Total Revenue		6,722,850	7,757,504
Expenditure			
Personnel expenses		(5,750,035)	(5,603,762)
Depreciation & Amortisation expenses	11	(248,326)	(294,453)
Scholarships and grants paid		(894,236)	(213,150)
Program expenses (excluding personnel expenses)		(551,240)	(184,736)
Digital engagement and public relations		(195,726)	(209,332)
Research, monitoring and evaluation		(414,598)	(1,095,141)
Impairment loss on trade receivables		-	-
Other expenses	18	(2,557,380)	(2,395,747)
Total expenditure		(10,611,541)	(9,996,321)
Results from operations		(3,888,691)	(2,238,817)
Finance income	19	7,751,813	2,727,749
Finance costs	19	(384,567)	(527,798)
Net finance income	19	7,367,246	2,199,951
Surplus / (Deficit) before income tax		3,478,555	(38,866)
Income tax expense	3(i)	-	-
Surplus / (Deficit) for the year		3,478,555	(38,866)
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Other comprehensive income net of tax		-	-
Total comprehensive income / (loss)		3,478,555	(38,866)

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 12 to 45.

The Foundation for Young Australians
Statement of Changes in Equity
For the year ended 31 December 2021

In Australian Dollars	**Accumulated funds**	**Total funds**
Balance at 1 January 2020	59,276,587	59,276,587
Total comprehensive income for the period		
Loss for the period	(38,866)	(38,866)
$20 Boss reserve	8,464	8,464
Total other comprehensive income	-	-
Total comprehensive income for the period	59,246,185	59,246,185
Transactions with owners, recorded directly in equity	-	-
Total transactions with owners of the Company	-	-
Balance at 31 December 2020	59,246,185	59,246,185
Balance at 1 January 2021	59,246,185	59,246,185
Total comprehensive income for the period		
Profit for the period	3,478,555	3,478,555
$20 Boss reserve	-	-
Total other comprehensive income	-	-
Total comprehensive income for the period	3,478,555	3,478,555
Transactions with owners, recorded directly in equity	-	-
Total transactions with owners of the Company	-	-
Balance at 31 December 2021	62,724,740	62,641,579

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 12 to 45.

The Foundation for Young Australians
Statement of Cash Flows
For the year ended 31 December 2021

In Australian Dollars	Note	2021	2020
Cash flows from operating activities			
Cash receipts in the course of operations		5,643,920	5,018,701
Cash payments for scholarships & grants		(894,236)	(213,150)
Cash payments in the course of operations including to employees		(8,722,872)	(9,675,244)
Net cash (used in) operating activities	24	(3,973,188)	(4,869,693)
Cash flows from investing activities			
Interest received	19	22,180	42,867
Unit trust distributions received		3,253,179	3,251,536
Imputation credits received		274,169	-
Acquisition of property, plant and equipment	11	(88,780)	(16,257)
Proceeds on sale of property, plant and equipment		-	(1,482)
Net cash from investing activities		3,460,748	3,276,664
Cash flows from financing activities			
Payment of lease liabilities		(29,795)	(98,317)
Net cash flows from financing activities		(29,795)	(98,317)
Net increase (decrease) in cash and cash equivalents		(542,235)	(1,691,346)
Cash and cash equivalents at 1 January		5,899,759	7,591,105
Cash and cash equivalents at 31 December	7	5,357,524	5,899,759

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 12 to 45.

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 21-27 Somerset Place, Melbourne, VIC 3000. The company is a not for profit entity, registered under the Australian Charities and Not-For-Profit Commission Act 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.

2. Basis of Preparation

(a) Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. These financial statements are Tier 2 general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASBs) (including Australian Interpretations) and the Australian Charities and Not-For-Profit Commission Act 2012. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

Changes to significant accounting policies are described in Notes 3 and 4.

The financial statements were approved by the Board of Directors on 26th May 2022.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following material items in the statement of financial position: non-derivative financial instruments at fair value through profit or loss are measured at fair value.

(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.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3. Significant accounting policies (continued)

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) 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 Fair Value Through the Statement of Profit or Loss(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

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 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.

3. Significant accounting policies (continued)

(a) 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;

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

- 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 additional 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 additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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 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 OCI and are never reclassified to profit or loss.

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses (continued)

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.

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.

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.

(b) Impairment

i. Non-derivative financial assets

Financial instruments

The Company recognises loss allowances for Expected Credit Loss (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and – contract assets.

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

3. Significant accounting policies (continued)

(b) Impairment (continued)

i. Non-derivative financial assets (continued)

Financial Instruments (continued)

- 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 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 and including 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 Company considers a financial asset to be in default when:

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

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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.

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 assethave occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

3. Significant accounting policies (continued)

Credit-impaired financial assets (continued)

- 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.

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 OCI.

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.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and 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.

Where 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 proceeds from disposal and the carrying amount of the item is net recognised in profit or loss.

3. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(ii) Subsequent costs

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.

(iii) Depreciation

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.

An independent valuation of the building will be undertaken every three years to ensure that the carrying cost does not exceed market value. The estimated useful lives in the current and comparative years of property, plant and equipment are as follows:

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

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

3. Significant accounting policies (continued)

(d) 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 reportingdate 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.

(e) 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.

(f) 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 (g) below. All other revenue is recognised as it accrues.

3. Significant accounting policies (continued)

(f) Revenue (continued)

Nature and timing of satisfaction of performance obligations, including significant payment terms	**Revenue recognition underAASB 15 and AASB 1058**
Donations are received both with and without associated performance obligations.	Revenue is recognised upon receipt for untied funding.
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.	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.
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.	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.
Government grants The Company's government agreements are enforceable contracts with specific outcome and performance obligations. Invoices are usually payable within 30 days.	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.
Program enrolments	Revenue is recognised when services are provided.
Fees and rental with associated contractual obligations for rental, auspice arrangements and speaking engagements.	Revenue is recognised when services are provided.
Government Jobkeeper payments	Revenue is recognised as income upon receipt.

3. Significant accounting policies (continued)

(f) Revenue (continued)

Contract balances

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

In Australian Dollars	**2021**	**2020**
Receivables, which are included in 'trade and other receivables'	1,782	-
Contract assets	24,192	51,552
Contract liabilities	1,568,857	2,101,074

(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.

(i) **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 NFP entities, as well as the majority of income recognition requirements relating to public sector NFP entities previously reflected in AASB 1004 Contributions for financial years beginning 1 January 2019 onwards.

AASB 1058 establishes principles for NFP entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP 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.

3. Significant accounting policies (continued)

(g) 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.

(h) Finance income and finance costs

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).

(i) 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.

(j) 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 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.

(k) Leases

The Company has applied IFRS 16.

3. Significant accounting policies (continued)

(k) Leases (continued)

(i) As a lessee

AASB 16 *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 2021

At inception of a contract, the Company determines whether it is, or contains, a lease. A contract is, or contains, a lease is 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 lease 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 leaseincentives 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 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 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.

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

3. Significant accounting policies (continued)

(k) Leases (continued)

(i) As a lessee

- Fixed payment, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as 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 reasonable to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonable 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 Group'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 and 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.

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.

ii. As a lessee

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.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a leased based on the assessment whether:

- Fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

3. Significant accounting policies (continued)

(k) Leases

Policy applicable before 1 January 2019 (continued)

- The arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset is one of the following was met:
  - The purchaser has the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - The purchaser has the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - Facts and circumstances indicated that it was removed that other parties would take more than an insignificant amount of the output and the price per unit was neither fixed per unit of output to the current market price per unit of output

As a lessee

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases, When this was the case the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum leases payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating lease were recognised in profit or loss on a straight-line basis over the term of lease. Lease incentives received were recognised as an integral part of total lease expense, over the term of the lease.

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.

(l) New standards early adopted

The Company has not elected to early adopt any standards, amendments to standards and interpretations available for early adoption at reporting date.

4. Changes in accounting policy

A number of standards were amended during 2021 but they do not have a material impacton the Company's financial statements. These include amendments for interest rate benchmark reform thorough Interest Rate Benchmark Reform – Phase 2 and COVID-19-Related Rent Concessions (an amendment to AABS 16)

The Company has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

5. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(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.

6. Financial risk management

(a) 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 20.

6. Financial risk management (continued)

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established a Finance Committee, an Investment Committee and an Audit and Risk Committee, which are responsible for developing and monitoring risk management policies. The 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.

The Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company limits its exposure to credit risk by only investing in liquid securities. A provision for doubtful debts has not been required due to a history of no outstanding debts.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Geographically, there is no concentration of credit risk.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(e) 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 optimising the return.

6. Financial risk management (continued)

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

(g) Investment management

The Company holds a portfolio of investments in a unit trust. All investment transactions are carried out within the guidelines set by the Investment Committee. Generally the Company seeks to apply a defined percentage of its investment portfolio to a specific investment risk profile in its investments in order to manage volatility in the profit and loss.

The primary goal of the Company's investment strategy is to evaluate its portfolio held with Mercer Investments (November 2012 to present) on a "returns basis." The Investment Committee is assisted by external advisors in this regard. 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.

(h) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will vary because of changes in market interest rates. The Company manages this by ensuring that its exposure to changes in interest rates is limited to on-call investments.

(i) Capital management

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

7. Cash and cash equivalents

In Australian Dollars

Current	**2021**	**2020**
Cash at hand	400	400
Bank balances	5,308,944	5,851,179
Cash held for guarantee	48,180	48,180
Total Cash and cash equivalents	**5,357,524**	**5,899,759**

The Company's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

8. Trade and other receivables

In Australian Dollars

Current	Note	2021	2020
Trade and other receivables		222,179	461,309
Imputation credits receivable		424,719	348,956
Unit trust distributions receivable		424,971	192,445
Total trade and other receivables		**1,071,869**	**1,002,710**

The Company's exposure to credit and currency risk and impairment losses related to trade and other receivables are disclosed in note 22.

9. Other financial assets

Current investments – financial assets designated at fair value through profit or loss

In Australian Dollars		2021	2020
Realisation value of units at beginning of year		52,653,420	53,173,142
Additions			
Unrealised gain/ (loss) on investments	19	3,893,997	(165,821)
Less			
Transfer from investment funds to cash		-	-
Management fees deducted	19	(380,089)	(353,901)
Market value at year end		56,167,328	52,653,420
Current		-	-
Non-current		56,167,328	52,653,420
Total Other financial assets		**56,167,328**	**52,653,420**

The financial assets designated at fair value through profit or loss are unlisted units in managed funds. The Company's exposure to credit and interest rate risks related to investments are disclosed in note 21.

10. Other current assets

In Australian Dollars

Prepayments	**135,265**	**135,108**

11. Property, plant & equipment

In Australian Dollars	Land and Building	Plant & equipment	Computer Software	Leasehold Improvements	Total
Cost or deemed cost					
Balance at 1 January 2020	4,002,533	540,720	262,893	191,104	4,997,250
Acquisitions	-	16,257	-	-	16,257
Right-of-use assets under AASB 16	-	59,694	-	-	59,694
Disposals	-	(76,728)	-	-	(76,728)
Balance at 31 December 2020	4,002,533	539,943	262,893	191,104	4,996,473
Balance at 1 January 2021	4,002,533	539,943	262,893	191,104	4,996,473
Acquisitions		88,780			88,780
Right-of-use assets under AASB 16					
Disposals	(850)				(850)
Balance at 31 December 2021	4,001,683	628,723	262,893	191,104	5,084,403
Depreciation and impairment losses					
Balance at 1 January 2020	(1,789,895)	(295,645)	(141,638)	(128,686)	(2,355,864)
Depreciation expense for the year	(72,842)	(57,403)	(40,014)	(9,519)	(179,778)
Amortisation of right-of-use assets under AASB 16	(78,264)	(28,997)	-	(7,413)	(114,674)
Disposals	-	55,262	-	-	55,262
Balance at 31 December 2020	(1,941,001)	(326,783)	(181,652)	(145,618)	(2,595,054)
Balance at 1 January 2021	(1,941,001)	(326,783)	(181,652)	(145,618)	(2,595,054)
Depreciation expense for the year	(48,894)	(59,409)	(26,809)	(15,531)	(150,643)
Amortisation of right-of-use assets under AASB 16	(71,741)	(25,936)			(97,677)
Disposals	-	-	-	-	-
Balance at 31 December 2021	(2,061,636)	(412,128)	(208,461)	(161,149)	(2,843,374)
Carrying amounts					
At 1 January 2020	2,212,638	245,075	121,255	62,418	2,641,386
At 31 December 2020	2,061,532	213,160	81,241	45,486	2,401,419
At 1 January 2021	2,061,532	213,160	81,241	45,486	2,401,419
At 31 December 2021	**1,940,047**	**216,596**	**54,432**	**29,955**	**2,241,029**

In 2020, the Company obtained an independent valuation performed by a Certified Practising Valuer (API) at Property Dynamics of the Somerset Place building. This value was $5,730,000. During the years ended 31 December 2019, 31 December 2020 and 31 December 2021, the Company determined that the building's carrying amount is appropriate.

11. Property, plant & equipment (Continued)

Leased plant and equipment and building

The Company leases IT equipment and 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(k)). At 31 December 2021 the carrying amount of leased assets was $29,039 (2020: $131,028) .

12. Trade and other payables

In Australian Dollars	2021	2020
Current		
Trade, other payables and accruals	403,611	470,347
Total current other payables	**403,611**	**470,347**

The Company's exposure to liquidity risk related to other payables is disclosed in note 22.

13. Provisions

In Australian Dollars		
Current		
Liability for annual leave	261,317	154,879
Liability for long service leave	64,268	66,424
Total current provisions	**325,585**	**221,303**
Non Current		
Liability for long service leave	28,909	54,439
Provision for make-good	25,000	24,547
	53,909	78,986

Defined contribution plans

The Company makes contributions to seventeen defined contribution plans that provide pension benefits for employees upon retirement. The amount recognised as an expense was $466,824 for the year ended 31 December 2021 (2020: $403,475).

14. Contract Liabilities

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.

15. Lease liabilities

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 January 2021. The weighted average rate applied is 4.77%.

In Australian Dollars

	2021	2020
Current	29,039	105,568
Non-Current	-	29,039
Total lease liabilities	**29,039**	**134,607**

Maturity analysis – contractual undiscounted cash flows
Lease liabilities are payable as follows:

In Australian Dollars

	2021	2020
Less than one year	29,795	114,072
Between one and five years	-	29,795
Total undiscounted lease liabilities at 31 December 2021	**29,795**	**143,867**

16. Revenue

See accounting policies in note 3(f).

(a) Revenue streams

In Australian Dollars	2021	2020
Revenue from contracts with customers	6,521,950	6,362,355
Revenue from Government Jobkeeper Support	200,900	1,395,149
Total revenue	**6,722,850**	**7,757,504**

16. Revenue (continued)

(a) Disaggregation of revenue

Type of good or service

In Australian Dollars

	2021	2020
Donations	484,832	260,820
External funding	4,756,383	4,418,913
Consulting	1,135,534	1,006,985
Government grants	117,027	657,325
Fees and rental	28,174	18,312
Government Jobkeeper support	200,900	1,395,149
Total income	**6,722,850**	**7,757,504**

(b) Geographic region

In Australian Dollars

	2021	2020
Australia	6,722,850	7,757,504

(c) Type of contract

In Australian Dollars

	2021	2020
Fixed price	6,722,850	7,757,504

Contract balances

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

In Australian Dollars

	2021	2020
Receivables, which are included in trade and other receivables	1,782	-
Contract assets	24,192	51,552
Contract liabilities	1,568,857	2,101,074

17. Auditors' remuneration

In Australian Dollars

Audit services	**2021**	**2020**
Auditors of the Company		
KPMG Australia:		
Audit of the financial report	42,000	38,000
Total Auditor's Remuneration	**42,000**	**38,000**

18. Other expenses

In Australian Dollars	**2021**	**2020**
Recruitment	8,197	27,620
Office expenses and accommodation	202,289	335,442
Professional services and contractors	533,560	564,897
Program delivery	1,815,334	1,467,788
Total other expenses	**2,557,380**	**2,395,747**

19. Finance income and finance costs

In Australian Dollars

Recognised in the statement of comprehensive income	**2021**	**2020**
Interest income on bank deposits	22,180	42,867
Unit trust distributions	3,485,704	2,442,417
Imputation credits	349,932	242,465
Net change in fair value and sale of financial assets designated at fair value through the profit and loss	3,893,997	-
Finance income	7,751,813	2,727,749
Net change in fair value and sale of financial assets designated at fair value through the profit and loss	-	(165,821)
Interest on lease liabilities	(4,478)	(8,076)
Investment managers fees	(380,089)	(353,901)
Finance cost	(384,567)	(527,798)
Net finance income	**7,367,246**	**2,199,951**

20. 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.

21. Financial instruments

(a) Credit Risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
In Australian Dollars	**Note**	**2021**	**2020**
Cash and cash equivalents	7	5,357,524	5,899,759
Trade and other receivables	8	1,071,869	1,002,710
Term deposit		108,534	108,534
Financial assets designated at fair value Through profit and loss	9	56,167,328	52,653,420
		62,705,255	59,664,423

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was as follows:

	Carrying amount	
In Australian Dollars	**2021**	**2020**
Australia		
	1,071,869	1,002,710

21. Financial instruments (continued)

Impairment Losses

In Australian Dollars	**Gross 2021**	**Impairment 2021**	**Gross 2020**	**Impairment 2020**
Not past due	552,064	-	541,401	-
Past due 0-30 days	164,314	-	124,941	-
Past due 31-120 days	355,491	-	336,368	-
Past due 122 days to one year	-	-	-	-
Past due over one year	-	-	-	-
	1,071,869	-	1,002,710	-

(a) Credit Risk (continued)

Based on historic default rates, the Company believes that no impairment allowance is necessary in respect of the trade and other receivables disclosed above.

(b) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

In Australian Dollars

31 December 2021
Non-derivative financial liabilities

	Carrying amount	**Contractual cash flows**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Trade and other payables	(403,611)	(403,611)	(403,611)	-	-	-	-
	(403,611)	(403,611)	(403,611)	-	-	-	-

21. Financial instruments (continued)

31 December 2020
Non-derivative financial liabilities

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	(470,347)	(470,347)	(470,347)	-	-	-	-
	(470,347)	(470,347)	(470,347)	-	-	-	-

(c) Market Risk

Interest Rate Risk

The Company does not have any external borrowings at balance date and does not enter into interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

In Australian Dollars	**2021**	**2020**
Variable rate instruments		
Financial assets		
Cash & cash equivalents	5,357,524	5,899,759
Effective interest rates		
Cash & cash equivalents	0.1% to 1.5%	0.1% to 1.5%
Fixed rate instruments		
Term deposits	108,534	108,534
Interest rates	1.01%	2.89%
Cash held for guarantee	48,180	48,180
Interest rates	0.00%	1.75%

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any fixed rate financial assets or liabilities at fair value through profit or loss at balance date (2020: nil), and the Company does not have derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

21. Financial instruments (continued)

A change of 100 basis points in interest rates would have increased or decreased the Company's accumulated funds by $53,575 (2020: $58,997).

Cash flow sensitivity analysis for fixed rate instruments

A change of 100 basis points in interest rates would have increased or decreased the Company's accumulated funds by $1,567 (2020: $1,567).

(d) Currency Risk

The Company has minimal exposure to currency risk as all of its receivables are in Australian dollars.

(e) Fair Value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

		2021		2020	
	Note	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
In Australian Dollars					
Loans and receivables					
Trade and other receivables	8	1,071,869	1,071,869	1,002,710	1,002,710
Cash and cash equivalents	7	5,357,524	5,357,524	5,899,759	5,899,759
		6,429,393	6,429,393	6,902,469	6,902,469
Held-to-maturity					
Term deposit		108,534	108,534	108,534	108,534
Held-for-trading					
Investments	9	56,167,328	56,167,328	52,653,420	52,653,420
Other financial liabilities					
Trade and other payables	12	403,611	403,611	(470,347)	(470,347)
Lease liabilities	15	-	-	(134,607)	(134,607)
		56,762,634	56,762,634	52,157,000	52,157,000

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

21. Financial instruments (continued)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In Australian Dollars	Note	Level 1	Level 2	Level 3	Total
31 December 2021					
Other financial assets					
Unlisted units in managed funds	9	-	56,167,328	-	56,167,328
		-	56,167,328	-	56,167,328
31 December 2020					
Other financial assets					
Unlisted units in managed funds	9	-	52,653,420	-	52,653,420
		-	52,653,420	-	52,653,420

Fair value sensitivity analysis

A 1% change in unit prices of the investments in unit trusts at 31 December 2021 would have increased or decreased the Company's accumulated funds and surplus by $561,673 (2020: $591,714). If unit prices changed by 10% the increased or decreased change in the Company's accumulated funds and surplus would need to be multiplied by a factor of 10. All market value movements in unit prices are recognised in the profit and loss.

22. Leases

Leases as lessee (IFRS 16)

a) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

In Australian Dollars	Leasehold improvements	Building	Equipment	Total
2020				
Balance at 1 January	14,825	150,005	42,645	207,475
Depreciation charge for the year	(7,414)	(78,264)	(28,997)	(114,675)
Depreciation on disposals	-		55,262	55,262
Additions to right of use assets			59,694	59,694
Disposals of right of use assets	-	-	(76,728)	(76,728)
Balance at 31 December 2020	7,411	71,741	51,876	131,028

22. Operating leases (continued)

Leases as lessee (IFRS 16) (continued)

	Leasehold improvements	Building	Equipment	Total
In Australian Dollars				
2021				
Balance at 1 January	7,411	71,741	51,876	131,028
Depreciation charge for the year	7,411	71,741	25,937	105,089
Depreciation on disposals				
Additions to right of use assets				
Disposals of right of use assets				
Balance at 31 December 2021	-	-	25,939	25,939

b) ***Amounts recognised in profit and loss***

In Australian Dollars	
2021 - Leases under IFRS 16	
Interest on lease liabilities	4,478
Income from sub-leasing right-of-use assets presented in other assets	-
Expenses related to short term leases	-
Expenses relating to low- value assets	-
-	
2020 -Leases under IFRS 16	
Interest on lease liabilities	8,076
Income from sub-leasing right-of-use assets presented in other assets	-
Expenses related to short term leases	-
Expenses relating to low- value assets	-

c) ***Extension options***

The 29-31 Somerset Place property lease contains extension options exercisable by the Company up to 3 months before the end of the non-cancellable contract period. The Company assesses at lease commencement date whether there 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.

22. Operating leases (continued)

Leases as lessee (IFRS 16) (continued)

d) Finance lease

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

e) Operating lease

In 2021, operating lease rentals for the Company also included a lease for five photocopiers and AV equipment.

23. Program expenditure commitments

In Australian Dollars	**2021**	**2020**
Program expenditure commitments		
Within one year	1,568,857	2,101,078
One year or later and no later than five years	-	-
	1,568,857	2,101,078

24. Reconciliation of cash flows from operating activities

In Australian Dollars	**Note**	**2021**	**2020**
Cash flows from operating activities			
Surplus/(Deficit) for the period		3,478,555	(38,866)
Adjustments for non cash items			
Depreciation	11	248,320	294,453
Property, plant and equipment written off		-	-
Items recorded as investing activities			
Interest received	19	(22,180)	(42,867)
Imputation credit income	19	(349,932)	(242,465)
Trust distributions	19	(3,253,090)	(2,249,971)
Realised & Unrealised loss / (gain) on investments	19	(3,893,997)	(26,625)
Management fees	9	380,089	353,901
		(3,412,235)	(1,952,440)
Operating (deficit) before changes in working capital and provisions			
Change in trade and other receivables	8	69,159	(218,465)
Change in other assets	10	157	(28,198)
Change in contract assets	14	(27,360)	10,544
Change in trade and other payables	12	(66,736)	(131,749)
Change in contract liabilities	14	(532,217)	(2,509,795)
Change in provisions and employee benefits	13	(79,205)	(39,590)
Net cash used in operating activities		(3,890,027)	(4,869,693)

25. Related Parties

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

Non-executive directors

Non-executive Directors received no remuneration for their services to the Company.

S Mostyn - Chair
T Clark (until 6 May 2021)
L Armstrong
K Liow
M Marcus
S McCluskey
B Newstead
L Rodgers (until 6 May 2021)
G Vegesana (from 6 May 2021)
K Angel (from 6 May 2021)

Executives
2021
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) until parental leave August 2021
B Canny - Executive Director YLab (from April 2020) until parental leave April 2021
K Ross – Acting Executive Director YLab (from April 2021)
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)
O Hilton - Executive Director Business Services (from August 2020 until December 2021)
R Moore – Executive Director, First Nations (from March 2021)
V Rouse – Executive Director, Partnerships & Engagement (from February 2021)

2020
N Moraitis - Chief Executive Officer (from April 2020)
B Lee - Executive Director Learning Creates Australia (from January 2020)
B Canny-Director-YLab (until August 2020) and Executive Director YLab (from April 2020)
M Whelan - Director Programs (until August 2020), Executive Director Strategic Projects (from August 2020)
O Hilton - Acting CEO (until April 2020), Acting Chief Operating Officer (from April-August 2020) and Executive Director Business Services (from August 2020)
C Granozio - Chief Operating Officer (until August 2020, during this time on parental leave)
S Johnston - Chief Financial Officer and Company Secretary (until May 2020)
C Verberne - Director Research Policy and External Affairs (until August 2020)
A Peek - Director Indigenous Engagement (until July 2020)
L Carnie - Executive Director, Advocacy (from November 2020).

25. Related Parties (continued)

Key management personnel's compensation is included in personnel expenses in the income statement:

	2021	2020
In Australian Dollars	**$**	**$**
Short-term employee benefits	1,657,261	1,426,168
Other long term benefits	55,223	51,347
Post-employment benefits	147,018	110,757
	1,859,502	1,588,272

The compensation disclosed above includes the key management personnel's accrued annual and long service leave.

Other key management personnel transactions with the Company

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

26. Subsequent events

As at 30th April 2022, the Foundation's investment portfolio has decreased its market value to $53,989,945, a decrease of 3.88 %.

On 25 March 2022 the Foundation entered into a contract for sale of the land and building asset at 29-31 Somerset Place, Melbourne VICTORIA. The sale price per the contract of sale was $7,000,000.

27. Commitments and contingencies

Other than as disclosed in note 23, there are no commitments or contingencies as at 31 December 2021 (2020: Nil).

The Foundation for Young Australians
Directors' Declaration
For the year ended 31 December 2021

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 are contained in pages 8 to 45, 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 2021 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Regime 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:

S Mostyn
Director

Dated at Sydney this 26th day of May 2022

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