

The Oaktree Foundation Australia

ACN: 129 680 584

Consolidated financial report

For the year ended 31 December 2022

TABLE OF CONTENTS

Directors' report	1 - 6
Auditor's independence declaration	7
Financial report	
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of changes in equity	10
Consolidated statement of cash flows	11
Notes to financial statements	12 - 21
Directors' declaration	22
Independent review report	23 - 24

THE OAKTREE FOUNDATION AUSTRALIA

ACN: 129 680 584

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report of The Oaktree Foundation Australia ("Oaktree"), for the year ended 31 December 2022 and auditor's report thereon.

Information about the Directors and senior management

The names of the directors in office at any time during the year are:

Ronald Zhang (Resigned 2 January 2022)

Non-Executive Director / Former Deputy Chair

Ronald is an Associate Consultant at Bain & Company and holds a Bachelor of Commerce (Economics and Finance) with Honours from the University of Melbourne. He is passionate about global development and the power of young people to lead social change, and previously served as Oaktree's Head of Marketing and Fundraising.

Ari Siggins (Resigned 18 March 2022)

Non-Executive Director

Ari brings over 15 years of experience in senior and C-Suite Human Resources and operational management roles across the government, health, and community service sectors. She brings extensive experience in human resources management and organisational development, industrial relations, and workplace health and safety combined with expertise in operational management and strategy. Ari holds a Bachelor of Arts and Social Science, a Master of Human Resources Management, and is a graduate of the Australian Institute of Company Directors and a certified professional member of the Australian Human Resources Institute.

Alan Wu (Resigned 8 December 2022)

Non-Executive Director / Former Chair

Alan has long worked with communities to build power to make decisions that matter. He currently serves on the boards of racial justice organisation Democracy in Colour, and LGBTQIA+ mentoring organisation Out for Australia, and recently retired as the longest-serving member of the board of Oxfam Australia, one of the nation's largest international development organisations. He is a senior adviser with the Open Government Partnership, a multilateral project to make governments more inclusive, responsive, and accountable.

Cameron McGowan (Resigned 25 July 2022)

Non-Executive Director / Chair of Risk and Compliance Sub-Committee

Cameron is an Internal Audit Manager in the Risk Advisory practice at EY and works across the non for profit, health and government practices. Cam has over 9 years of experience, having worked for EY and large multinational companies in Germany and Paris, and specialises in best in class risk management practices that add value and enable organisations to deliver on their strategic objectives.

Marta Zajac (Resigned 29 July 2022)

Non-Executive Director / Chair of the Fundraising Advisory Board

Marta is a fundraising and marketing specialist using her skills to grow progressive social change movements. Marta is the Experience Delivery Lead at the Australian Red Cross and a member of the Marketing and Growth Committee at Plan International. Prior to the Red Cross, Marta has worked at Climate for Change, Human Rights Law Centre, United Nations and in the private sector, while holding numerous volunteer roles across the nonprofit sector. Marta has a Bachelor of Arts (Honours) in Public Relations and Advertising from the University of Westminster in London.

THE OAKTREE FOUNDATION AUSTRALIA

ACN: 129 680 584

DIRECTORS' REPORT

Information about the Directors and senior management (continued)

Steven Mills (Resigned 22 June 2022)

Non-Executive Director / Chair of the Finance Sub-Committee

Steven has over fifteen years' experience in financial positions, including nearly ten in senior finance and consulting roles specialising in accounting, strategy, forecasting and change management. He has worked in the UK, US and Australia and holds a Bachelor of Business from LaTrobe University, is a Chartered Accountant (CIMA) and completed an MBA from Melbourne Business School.

Finbar Piper

Non-Executive Director / Deputy Chair, Acting Chair

Finbar is a former Oaktree volunteer, working on campaigns and political engagement in 2016-17. He is now a government lawyer and holds a Juris Doctor and Bachelor of Arts from the University of Melbourne. He is an advocate for civic engagement and youth participation in decision-making forums and was appointed as a Youth Commissioner for the National Youth Commission's Inquiry into Youth Employment and Transitions from 2018 to 2021.

Jack He

Non-Executive Director / Company Secretary

Jack holds a Bachelors degree in Business Administration and a Masters degree in Applied Finance. He has over 17 years of experience in the banking industry across Mergers & Acquisitions, Product Management, and Treasury. He is passionate about diversity and equality, and is a firm believer in empowering young people to take ownership for change.

Elyse McInerney

Non-Executive Director

Elyse is a program manager with a key focus on gender equality and feminist development practice. Her previous portfolios have included projects on employment, gender-based violence, financial capability, women's leadership, regional and international advocacy, coalition strengthening, education, child protection and humanitarian response. She is particularly passionate about ensuring lived experiences inform program practice and advocacy work.

Thenu Herath

Executive Director / CEO

Thenu stepped up to be Oaktree's CEO in January 2021, bringing three years of experience in international and community development. Alongside her role at Oaktree, Thenu is currently completing her Juris Doctor at the University of Melbourne and working with the World Economic Forum's Global Shaper community. The proud daughter of Sri Lankan immigrants, Thenu's belief in human rights, empathy and justice is unwavering.

Gemma Cooper (Appointed 26 September 2022)

Non-Executive Director

Gemma provides specialist advisory services to the non-profit, for purpose sector. She has led various advisory projects for non for profit organisations, with a particular focus on revenue diversification and agile operating model development. She has also assisted with the development of the conceptual and operational framework for the Principles for Social Investment Secretariat, A United Nations Global Compact Initiative.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

DIRECTORS' REPORT

Information about the Directors and senior management (continued)

Manasi Kogekar (Appointed 21 September 2022)

Non-Executive Director

Manasi is an inclusive leader with technical expertise in the areas of gender equality and social inclusion, fundraising, mentorship, team leadership, strategic planning, monitoring and evaluation, program cycle management, and policy and process development. She is a member of the Fundraising Institute of Australia and volunteers her time to support and mentor young women to be our future leaders.

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Significant changes in state of affairs

There were no significant changes in the consolidated entity's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

DIRECTORS' REPORT

Principal activities, objectives and performance

The principal activities of the consolidated entity during the period were to:

- Build the capacity and influence of young Australians through domestic programs.
- Partner and invest in locally based organisations to build the capacity and influence of young people internationally.
- Communicate the value of youth participation and creating a more just world.
- Build evidence to demonstrate the impact of youth participation in creating a more just world.

The consolidated entity's short-term objectives are to:

- Partner with young people from various marginalised backgrounds with access to capacity building programs to enhance their opportunities now and in the future.
- Strengthen the capacity of young people to be leading change in the Asia Pacific.
- Recruit and train young Australians to drive Oaktree's youth and justice campaigns.
- Attract, develop and retain a diverse group of volunteers and employees needed to fulfil the organisation's strategic plan.
- Raise funds to support Oaktree's work from a range of distinct revenue streams.

The consolidated entity's long-term objectives are to:

- Advance systematic change towards youth participation in aid and development.
- Create a more engaged and informed public in creating a more just world.
- Increased capacity and influence of young people.
- Hold Australia accountable to developing policies that ensure greater contribution towards advancing youth participation and a more just world.

Note: Oaktree measures its performance by monitoring its progress against each of its short-term objectives.

To achieve its short-term and long-term objectives, the consolidated entity has adopted the following strategies:

- Testing and trialling a number of different fundraising strategies to complement Live Below the Line to acquire revenue diversification.
- Maintaining high quality partnerships to deliver youth led capacity building projects (funded partnerships).
- Engaging and developing hundreds of young Australians in active volunteering and ambassador roles within the organisation.
- Engaging and working with key decision makers in government and civil society to advance youth participation.
- Advancing Oaktree as a key organisation within the international development sector and collaborating with other organisations to strengthen the participation of young people.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

DIRECTORS' REPORT

Details of membership

The Oaktree Foundation Australia is a public company, limited by guarantee, incorporated and operating in Victoria, Australia. The guarantee is \$20 per member and at 31 December 2022 there were 6 Class A members and 0 Class B members, such that the total amount that members of Oaktree are liable to contribute if the company is wound up is \$120.

Environmental regulation

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Alan Wu	6	6
Cameron McGowan	3	3
Marta Zajac	3	3
Steven Mills	3	3
Finbar Piper	6	6
Jack He	6	6
Elyse McInerney	6	5
Thenu Herath	6	6
Gemma Cooper	2	2
Manasi Kogekar	2	2
Ari Siggins	1	0
Ronald Zhang	0	0

Indemnification of officers

The Consolidated Entity maintained its own Directors and Officers Indemnity during the financial year against certain personal liabilities which they may incur in the performance of their duties as Directors and Officers where those Directors and officers acted in good faith.

In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Except for the above, during the financial year and subsequent to 31 December 2022, no person has been indemnified nor has the consolidated entity or a related body of the consolidated entity made an agreement for indemnifying any person who is or has been an officer of the consolidated entity or of a related body.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit review for the financial year is provided with this report.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

DIRECTORS' REPORT

Proceedings on behalf of the consolidated entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

Signed on behalf of the Board of Directors.

Director: _____



Finbar Piper

Dated this **26** day of **July** 2023



Moore Australia

VICTORIA

Level 44, 600 Bourke Street
Melbourne VIC 3000
T +61 3 9608 0100

Level 1, 219 Ryrie Street
Geelong VIC 3220
T +61 3 5215 6800

194 High Street
Belmont VIC 3216
T +61 3 5241 3888

TASMANIA

161 St John Street
Launceston TAS 7250
T +61 3 6334 0500

victoria@moore-australia.com.au
www.moore-australia.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF THE OAKTREE FOUNDATION AUSTRALIA**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the review.

Moore Australia

**MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257**

**RYAN LEEMON
Partner
Audit and Assurance**

Melbourne, Victoria

26 July 2023

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue and other income			
Donations and gifts			
<i>Monetary</i>		117,434	180,793
<i>Non-monetary</i>		-	-
Bequests and legacies		-	-
Commercial activities income		-	-
Grants			
<i>Department of Foreign Affairs and Trade</i>		-	-
<i>Other Australian</i>		69,456	5,280
<i>Other overseas</i>		-	-
Investment income		112,982	27,004
Other income		<u>3,294</u>	<u>4,018</u>
		<u>303,166</u>	<u>217,096</u>
Less: expenses			
International programs			
<i>Funds to international programs</i>		(155,113)	(114,087)
<i>Program support costs</i>		(114,242)	(120,850)
Community education		(62,390)	(54,027)
Fundraising costs			
<i>Public</i>		(107,453)	(181,008)
<i>Government, multilateral, and private</i>		-	(89)
Accountability and administration		<u>(68,410)</u>	<u>(133,512)</u>
		<u>(507,608)</u>	<u>(603,575)</u>
Excess / (shortfall) of revenue over expenditure		(204,442)	(386,479)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Net change in fair value of financial assets classified at fair value through other comprehensive income		(143,898)	61,155
Other comprehensive income for the year		<u>(143,898)</u>	<u>61,155</u>
Total comprehensive income/ (loss)		<u><u>(348,340)</u></u>	<u><u>(325,325)</u></u>

The accompanying notes form part of these financial statements.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	2	245,878	297,450
Receivables	3	6,103	32,532
Other assets	4	<u>7,650</u>	<u>11,945</u>
Total current assets		<u>259,631</u>	<u>341,926</u>
Non-current assets			
Financial assets	5	420,916	738,430
Total non-current assets		<u>420,916</u>	<u>738,430</u>
Total assets		<u>680,547</u>	<u>1,080,356</u>
Current liabilities			
Payables	6	37,334	51,298
Provisions	7	<u>7,030</u>	<u>44,535</u>
Total current liabilities		<u>44,364</u>	<u>94,832</u>
Total liabilities		<u>44,364</u>	<u>94,832</u>
Net assets		<u>636,183</u>	<u>984,524</u>
Equity			
Reserves	8	67,461	211,358
Retained earnings	9	<u>568,722</u>	<u>773,166</u>
Total equity		<u>636,183</u>	<u>984,524</u>

The accompanying notes form part of these financial statements.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Financial assets reserve \$	Retained surplus \$	Total equity \$
Balance as at 1 January 2021	150,203	1,159,645	1,309,848
Deficit for the year	-	(386,479)	(386,479)
Other comprehensive income for the year	<u>61,155</u>	<u>-</u>	<u>61,155</u>
Total comprehensive income for the year	<u><u>61,155</u></u>	<u><u>(386,479)</u></u>	<u><u>325,325</u></u>
Balance as at 1 January 2022	211,358	773,166	984,524
Deficit for the year		(204,442)	(204,442)
Other comprehensive loss for the year	<u>(143,898)</u>	<u>-</u>	<u>(143,898)</u>
Total comprehensive income for the year	<u><u>(143,898)</u></u>	<u><u>(204,442)</u></u>	<u><u>(348,340)</u></u>
Balance as at 31 December 2022	<u><u>67,461</u></u>	<u><u>568,722</u></u>	<u><u>636,183</u></u>

The accompanying notes form part of these financial statements.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Cash flow from operating activities			
Receipt of grants		76,402	34,580
Donations and other receipts		147,157	204,340
Payments to suppliers and employees		(570,988)	(572,900)
Dividends received		16,454	32,156
Interest received		<u>1,292</u>	<u>1,822</u>
Net cash provided by / (used in) operating activities		<u>(329,683)</u>	<u>(300,002)</u>
Cash flow from investing activities			
Proceeds from sale of investments in equity instruments at fair value through other comprehensive income		278,113	38,639
Payments for investments in equity instruments at fair value through other comprehensive income		<u>-</u>	<u>(53,953)</u>
Net cash provided by investing activities		<u>278,113</u>	<u>(15,314)</u>
Reconciliation of cash			
Cash at beginning of the financial year		297,450	612,765
Net increase / (decrease) in cash held		<u>(51,572)</u>	<u>(315,316)</u>
Cash at end of financial year	2	<u><u>245,878</u></u>	<u><u>297,450</u></u>

The accompanying notes form part of these financial statements.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards – Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The Group has adopted AASB1060: General Purpose financial statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 entities for the first time this reporting period. Application of this standard has not had any material impact on previous disclosures.

The financial report covers The Oaktree Foundation Australia as a consolidated entity. The Oaktree Foundation Australia is a consolidated entity limited by guarantee, incorporated and domiciled in Australia. The Oaktree Foundation Australia is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and its wholly controlled trust funds.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation, and the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue and other income

The consolidated entity derives income from the transfer of assets when the consolidated entity provides no consideration in exchange for the asset received, or the consideration provided by the consolidated entity is significantly less than the fair value of the asset received, principally to enable the consolidated entity to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'.

Donations

Cash donations and goods donated for resale are recognised as income when the consolidated entity obtains control of the asset. Cash is recognised at the fair value of the consideration received.

Operating grants

A transfer of an asset, including cash, under arrangements that do not contain enforceable and sufficiently specific performance obligations is referred to in the financial statements as an 'operating grant'. Assets arising from operating grants are recognised at fair value when the consolidated entity obtains control of the asset. Any related amounts, such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions are recognised in accordance with the applicable Australian Accounting Standard. The excess of the initial carrying amount of assets received over the aggregate of the consideration provided by the consolidated entity and any related amounts is recognised as income.

Capital grants

A transfer of a financial asset, including cash, to enable the consolidated entity to acquire or construct a recognisable non-financial asset to identified specifications to be controlled by the consolidated entity, such as an item of property, plant and equipment, is referred to in the financial statements as a 'capital grant'. Capital grants are initially recognised as a liability (unspent capital grants liability), and subsequently recognised as income as, or when, the consolidated entity satisfies its obligation to acquire or construct the specified asset to which the capital grant relates.

(d) Other revenue and other income

Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met.

Dividend and other distributions

Dividend and other distribution revenue is recognised when the right to receive a dividend or other distribution has been established. Dividends and other distributions received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest

Interest revenue is measured in accordance with the effective interest method.

All revenue is measured net of the amount of goods and services tax (GST).

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income tax

The Oaktree Foundation Australia is exempt from income tax under section 50-5 of the *Income Tax Assessment Act 1997*.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the consolidated entity are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the consolidated entity irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVOCI are classified as subsequently measured at amortised cost, FVOCI or fair value through profit or loss (FVPL) on the basis of both:

- (a) the consolidated entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Trade and other receivables

Trade and other receivables arise from the consolidated entity's transactions with its customers and are normally settled within 30 days.

Consistent with both the consolidated entity's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

(i) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the consolidated entity recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the consolidated entity, and an estimate of costs to be incurred by the consolidated entity in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the consolidated entity's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases (Continued)

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(j) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the consolidated entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(m) Deductible gift recipient

The Oaktree Foundation Australia is currently endorsed as a Deductible Gift Recipient.

(n) ACFID compliance

This consolidated financial report has been prepared in accordance with the requirements set out in the ACFID code of conduct. For further information on the code please refer to www.acfid.asn.au

(o) Economic Dependence and Going Concern

Oaktree is dependent on public donation, fundraising and government grants.

Further, Oaktree reported a comprehensive loss for the financial year of \$348,240 (2021: \$325,325 loss), and operating cash outflows of \$329,683 (2021: \$300,002 cash outflow) for the year ended 31 December 2022.

Despite the above circumstances, Directors believe that ongoing public support and re-engagement with alumni and supporters of Oaktree, along with stringent cost management will be sufficient to ensure non-discretionary financial commitments such as third-party creditors and wages will be settled as and when they fall due. Further, Directors believe funds available through equity investments (refer note 5) are sufficient and available in the short to medium term, should funding be required to sustain the organisation.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank	155,634	285,319
Future fund cash account	<u>90,244</u>	<u>12,131</u>
	<u>245,878</u>	<u>297,450</u>
NOTE 3: RECEIVABLES		
CURRENT		
Other receivables		
- GST receivable	-	-
- Franking credits receivable	<u>6,103</u>	<u>32,532</u>
	<u>6,103</u>	<u>32,532</u>
	<u>6,103</u>	<u>32,532</u>
NOTE 4: OTHER ASSETS		
CURRENT		
Prepayments	6,761	4,817
Accrued income	889	461
Rental bond	<u>-</u>	<u>6,667</u>
	<u>7,650</u>	<u>11,945</u>
NOTE 5: FINANCIAL ASSETS		
NON CURRENT		
<i>Financial assets at fair value</i>		
Investments in equity instruments designated as at fair value through other comprehensive income	<u>420,916</u>	<u>738,430</u>

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 6: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade payables	3,477	2,899
Employment related payables	16,973	9,542
GST and ATO Payable	16,310	9,558
Revenue Received in Advance	-	29,300
Accrued expenses	<u>574</u>	<u>-</u>
	<u><u>37,334</u></u>	<u><u>51,298</u></u>
NOTE 7: PROVISIONS		
CURRENT		
Employee benefits	<u><u>7,030</u></u>	<u><u>44,535</u></u>
(a) Aggregate employee benefits liability	7,030	44,535
(b) Recalculation of employee benefits		
Opening	44,535	
Accrued	198,505	
Utilised	<u>(236,010)</u>	
Closing	7,030	

THE OAKTREE FOUNDATION AUSTRALIA
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
NOTE 8: RESERVES		
Financial assets at fair value through other comprehensive income reserve	<u>67,461</u>	<u>211,358</u>

NOTE 9: RETAINED EARNINGS

Retained earnings at beginning of year	773,165	1,159,645
Net surplus / (deficit)	<u>(204,442)</u>	<u>(386,479)</u>
	<u>568,722</u>	<u>773,166</u>

NOTE 10: MEMBERS' GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the Constitution states that each member is required to contribute to a maximum of \$20 each towards meeting any outstandings and obligations of the entity. At 31 December 2022 the number of members was 6. The combined total amount that members of the consolidated entity are liable to contribute if the consolidated entity is wound up is \$120.

NOTE 11: RELATED PARTY DISCLOSURES AND KEY MANAGEMENT PERSONNEL COMPENSATION

During the financial year, the Directors provided \$5,187 donations personally to Oaktree.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Directors perform the role of key management personnel. Non-executive Directors are not remunerated for their services performed for the consolidated entity.

	2022	2021
	\$	\$
Total compensation received by key management personnel	<u>62,020</u>	<u>65,207</u>

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no matters or circumstances, which has arisen since 31 December 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2022, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2022, of the consolidated entity.

THE OAKTREE FOUNDATION AUSTRALIA
ACN: 129 680 584

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Oaktree Foundation Australia, the directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australia Accounting Standards - Reduced Disclosure Requirements applicable to the entity; and
 - b. give a true and fair view of the financial position of the registered entity as at 31 December 2022 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director: _____



Finbar Piper

Dated this

26 day of **July**

2023

VICTORIA

Level 44, 600 Bourke Street
Melbourne VIC 3000
T +61 3 9608 0100

Level 1, 219 Ryrie Street
Geelong VIC 3220
T +61 3 5215 6800

194 High Street
Belmont VIC 3216
T +61 3 5241 3888

TASMANIA

161 St John Street
Launceston TAS 7250
T +61 3 6334 0500

victoria@moore-australia.com.au
www.moore-australia.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF THE OAKTREE FOUNDATION AUSTRALIA****Report on the Review of the Financial Report****Conclusion**

We have reviewed the accompanying financial report of The Oaktree Foundation Australia (the entity), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, the statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the company is not in accordance with the Australian Accounting Standards, including:

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

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2415: *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the ACNC Act, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the year ended on that date; and
- b. complying with the Australian Accounting Standards.

As the auditor of the company, ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter – Material Uncertainty related to Going Concern

We draw attention to Note 1 (o) of the financial statements titled Economic Dependence and Going Concern, which identifies that during the year ended 31 December 2022 the company incurred a net loss of \$348,240 and operating cash outflows of \$329,683. As stated in Note 1, the ability of the Group to continue as a going concern remains reliant on the ongoing public support and re-engagement with alumni and supporters of the foundation, along with stringent cost management. The Directors reasoning for preparing the financial report on a going concern basis is included within Note 1 and our opinion is not modified in respect of this matter.

Independence

In conducting our review, to the best of our knowledge and belief, we met the independence requirements of the Australian Accounting Professional Code of Conduct in relation to the review of the twelve month income statement and statement of financial position.

Moore Australia
MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



RYAN LEEMON
Partner
Audit and Assurance

Melbourne, Victoria

26 July 2023