

Annual Financial Report

For the year ended 30 June 2021

Contents

- Directors' Report ----- 3
- Auditor's Independence Declaration ----- 12
- Statement of Comprehensive Income ----- 13
- Statement of Financial Position ----- 14
- Statement of Changes in Member's Funds----- 15
- Statement of Cash Flows ----- 16
- Notes to and forming part of the Financial Statements ----- 17
 - 1. Summary of Significant Accounting Policies ----- 17
 - 2. Revenue ----- 20
 - 3. Other Income ----- 23
 - 4. Personnel Expenses ----- 24
 - 5. Professional and Sub-Contractor Fees ----- 24
 - 6. Other gains/losses ----- 24
 - 7. Net Finance Income ----- 25
 - 8. Cash and Cash Equivalents ----- 26
 - 9. Financial Assets ----- 27
 - 10. Fair Value Hierarchy ----- 31
 - 11. Property, Plant and Equipment----- 32
 - 12. Intangibles (software)----- 35
 - 13. Trade and Other Payables ----- 35
 - 14. Leases ----- 36
 - 15. Provisions ----- 38
 - 16. Commitments and Contingencies ----- 40
 - 17. Related Parties----- 41
 - 18. Results from Fundraising ----- 44
 - 19. Subsequent Events ----- 44
- Declaration by Board in respect of fundraising activities ----- 45
- Directors' Declaration ----- 46
- Independent auditor's report to Members----- 47

Directors' Report

For the year ended 30 June 2021

The directors present their report together with the consolidated financial statements of Social Ventures Australia Limited (ACN 100 487 572) (the **Company**, **Parent** or **SVA**) comprising the Company and its subsidiaries (together referred to as the **Group**) for the financial year ended 30 June 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:

Robert Koczkar

BEng (Hons)

Non-Executive Director and Chair (commenced 19 November 2020)

Member of Impact Investing Committee

Director since 11 August 2020

Mr Koczkar is the Managing Director of Adamantem Capital and a former CEO of Social Ventures Australia. He has extensive experience in social impact and private equity investing along with a deep understanding of the social purpose sector. He was previously a Managing Director of Pacific Equity Partners, Principal at Texas Pacific Group in Europe and started his career as a strategic consultant with Bain & Company.

Other current directorships

Mr Koczkar also serves on the boards of Melior Investment Management, Hygain, Guardian Alphabet Holdco Pty Limited, Greenland Holdco Pty Limited and Eagle Holdco Pty Limited.

Former directorships in last 3 years

He previously served on the board of Servian.

Paul Robertson AO

BComm, FCPA, MAICD

Non-Executive Director Chair (until 19 November 2020)

Director since 30 August 2010 until 19 November 2020

Mr Robertson, an experienced leader, has spent his career in finance, initially with the Commonwealth Bank and subsequently with Macquarie Bank for over 25 years.

Other current directorships

Mr Robertson is Chair of Goodstart Early Learning, Tonic Health Media, Kinela, and Grace Papers Pty Limited. He is Founder and Director of Financial Markets Foundation for Children and Director of Sydney Theatre Company Foundation.

Former directorships in last 3 years

Mr Robertson was previously Chair of St Vincent's Health Australia, St Ignatius College Riverview, Director of Dementia Australia, Catholic Health Australia Chair of RV Sports (sports management and sponsorship company), Director of Austraclear, Director of Sydney Futures Exchange Clearing House, Co-founder and Chair of Australian Financial Markets Association and Director of National Basketball League.

Tanya Gilerman

BEC, FCA

Non-Executive Director Chair of Finance, Audit & Risk Committee

Director since 30 April 2012

Ms Gilerman is the Chief Risk Officer for KPMG Australia. She is responsible for risk and regulatory matters as well as broader commercial and business risks associated with KPMG's strategy. She was admitted to the partnership in 2000, specialising in the financial services sector in audit and risk advisory. Ms Gilerman has extensive experience in auditing of ASX listed companies, funds management businesses and working with Boards and senior management during times of change and restructuring. Ms Gilerman is passionate about supporting diversity and inclusion and encourages senior women to develop and enhance their opportunities by leveraging themselves,

Directors' Report

For the year ended 30 June 2021

their teams and the business. She also sponsors the KPMG Earhart programme for high achievers. She is a member of Chief Executive Women and a member of their Audit and Finance Committee.

Adrian Appo OAM

BTeach

Non-Executive Director

Member of People & Culture Committee

(until 11 August 2020)

Director since 22 October 2012 until 11 August 2020

Adrian Appo was the founding member of both Ganbina and First Australians Capital and has extensive experience in regional and Indigenous leadership. His work around developing school to work transition programs, enterprise development and investments has gained state and national recognition. He is a graduate of the Fairley and Williamson Community Leadership programs and is a recipient of the Australian Defence, Centenary and Order of Australia Medals.

Other current directorships

Mr Appo is First Nations Lead for a philanthropic fund, a director of the Salvation Army Australia Territory Board and member of the Salvation Army Australia Territory Audit and Risk Committee.

Former directorships in last 3 years

First Australians Capital

Lisa Paul AO PSM

BA (Hons) FACEL FAICD

FIPAA FAIM FANZSOG

Non-Executive Director

Member of Finance, Audit & Risk Committee

(until 19 November 2020)

Director since 21 August 2013 until 19 November 2020

Ms Paul was a Chief Executive in the Australian federal government between 2004 and 2016. Ms Paul was made an Officer of the Order of Australia for distinguished service to public sector leadership and has been the recipient of a Public Service Medal and the Australian Chartered Accountants' Federal Government Leader of the Year Award.

Other current directorships

Ms Paul is Chair of Headspace, the National Youth Mental Health Foundation, Chair of the Audit Committee of the Australian Academy of Science and a Director of the Future Battery Industry Cooperative Research Centre, High Resolves and Australia American Education Leadership Foundation. She sits on the Council of Bond University and is a member of the Advisory Board of APM International and of the Australian Volunteer Support Trust.

Former directorships in the last 3 years

Navitas Australia, Programmed Group, National Shipbuilding Advisory Board, Australian Schools Plus, Business Council of Australia's Community Rebuilding Initiative and Programmed Group.

Daisy Mallett

BA LLB

Non-Executive Director

Member of People & Culture Committee

Member of Impact Investing Committee

Director since 23 February 2016

Ms Mallett is a risk management and dispute resolution Partner at King & Wood Mallesons, where she specialises in international arbitration as well as investor-state disputes. Her clients include Australian and global companies as well as governments and range across many sectors, including in the energy and resources, financial services, construction, water, insurance, transport, telecommunications and manufacturing industries. She is passionate about youth and education initiatives playing a key role in reducing disadvantage in Australia.

Other current directorships

Directors' Report

For the year ended 30 June 2021

Ms Mallett is also a director of the Australian Centre for International Commercial Arbitration.

Chris Harrop

*BComm (Hons), MBA
(Hons)*

Non-Executive Director

Member of People &
Culture Committee

Director since 19 September 2016

Mr Harrop is a Senior Partner in the Melbourne office of Bain & Company, a global strategy consulting firm with offices in 38 countries. He joined Bain in 1993 and became a Partner in 2000. He has held several senior roles across the firm, and recently completed a 6-year term on Bain's global Board of Directors. Mr Harrop has specialised in working with organisations in service industries, and in projects addressing corporate strategy, growth strategy and customer experience improvement. Prior to joining Bain, Mr Harrop held sales and marketing roles in the computer and consumer products industries with IBM, NCR and Adidas.

Other current directorships

Mr Harrop is a director of Goodstart Early Learning.

Robert Fitzgerald AM

BCom, LLB

Non-Executive Director

Member of Impact Investing
Committee

Director since 1 October 2017

Mr Fitzgerald is the NSW Ageing and Disability Commissioner and is Chair of Caritas Australia Limited and a Director of Emerging Futures Collaborative Ltd. Most recently he has been a Commissioner with the Productivity Commission and the Royal Commission into Institutional Responses to Child Sex Abuse. A commercial lawyer for more than 20 years, including with top-tier firm Clayton Utz, he has also held a number of policy-related roles including as a member of the National Competition Council. Prior to joining the Productivity Commission, Mr Fitzgerald was Community and Disability Services Commissioner and Deputy Ombudsman in New South Wales. His considerable experience with the not-for-profit sector includes serving as Chair of the Australian Charities and Not-For Profits Commission Advisory Board, President of the Australian Council of Social Services, and over 30 years of volunteering with numerous community services. He is an Adjunct Professor at UWA.

Suzie Riddell

*BAcc (Hons), MPhil,
GAICD*

Executive Director

Member of Impact Investing
Committee

Director since 22 November 2018

Ms Riddell is CEO at SVA. She previously held the role of Chief Strategy Officer, leading the Strategy & Advocacy team. She draws on extensive experience in the social purpose and commercial sectors to lead SVA's systems change agenda. Ms Riddell led the development of innovative education and employment ventures, securing philanthropic seed capital and demonstrating impact to win scale funding from government. Prior to joining SVA, she was a consultant at Bain & Company. She is a member of the Advisory Council for Melior Investment Management.

Other current directorships

Ms Riddell is also a director of the Observership Program, Community Council for Australia and Social Infrastructure Investment Partners Pty Ltd.

Former directorships in the last 3 years

She previously served as a director of YWCA NSW.

Directors' Report

For the year ended 30 June 2021

Adam Davids

BComm

Non-Executive Director

Member of People &
Culture Committee

Member of Finance, Audit &
Risk Committee

Director since 11 August 2020

Mr Davids was integral in the establishment of CareerTrackers Indigenous Internship Program and CareerSeekers New Australian Internship Program. He is a proud Aboriginal Australian and descendant of the Wiradjuri people. He is a Fulbright Scholar and for more than 13 years has worked in the non-profit sector to address the barriers facing Indigenous students in higher education and professional careers. He is driven to increase the representation of Indigenous professionals and executives in corporate Australia and having worked in leadership positions at CareerTrackers for more than 10-years, he has helped thousands of students build upward career mobility. He currently serves on the Advisory Board of the UTS Indigenous Residential College.

Former directorships in last 3 years

He previously served on the boards of Clovelly Community Bank and CareerSeekers and as Co-Chair of the GHD Indigenous Advisory Board.

Cindy Reese Mitchell

BA, BPhil (Hons)

Non-Executive Director

Director since 12 October 2021

Cindy is an Adjunct Associate Professor at the University of Canberra and founding Chief Executive Officer of Mill House Ventures, the Canberra region's first dedicated social enterprise business development consultancy. Cindy has worked as a venture capital investment manager and senior management roles at large corporate organisations in Australia and the United States. She is a PhD Candidate at the Centre for Social Impact (CSI) at Swinburne University, where she studies Kimberley Aboriginal women's entrepreneurship and leadership.

Other current directorships

Mrs Mitchell also serves on the Boards of Mosaic Life Care, Emmaus Christian School and the Social Enterprise Council of NSW and ACT.

Former directorships in last 3 years

She previously served on the Boards of Mosaic Baptist Church and Kulture Break.

Verity Lomax

*Bachelor, ESS and
MIntLaw (Distinction)*

Non-Executive Director

Director since 12 October 2021

With over a decade of experience in government, including in the role of Chief of Staff to the Minister for Aboriginal Affairs, Multicultural Affairs, Veterans, Volunteering and Youth, Verity is a passionate advocate for high impact social change. Representing Australian business in Myanmar, Verity led the Australia-Myanmar Chamber of Commerce, which was awarded the Asia Pacific Small Chamber of the year accolade due to their initiatives promoting Responsible Business practices and women in business.

Back in Australia, Verity begun working for a social impact advisory firm, Spark Strategy (a registered B-Corp), including with the Chief Minister's office in the Northern Territory, co-designing their Early Childhood Strategy.

Currently Verity is a Director at the NSW Department of Premier and Cabinet, leading a team focused on breaking disadvantage through the vehicles of education, employment and skills. Verity is passionate

Directors' Report

For the year ended 30 June 2021

about bringing government together with the not for profit, private and philanthropic sectors, to create lasting social impact. She is also a Director of Lomax Opals Pty Ltd.

Former directorships

The Reach Foundation
The Australia-Myanmar Chamber of Commerce

2 Company Secretary

The company secretary is Ms Bernadette Favis B Com, JD. Ms Favis is also the head of Legal, Risk and Compliance for SVA, and previously worked as a corporate and commercial lawyer in the financial services industry in Australia. Ms Favis was appointed company secretary on 16 March 2021, following the resignation of previous company secretary Ms Justine Isemonger BEc LLB (Syd), BCL (Oxf).

3 Governance

The Board of SVA has overall responsibility for the effective governance and successful performance of SVA. The Board is constituted and operates under the SVA Constitution that sets out the major parameters of governance of the organisation, including membership, election of directors, board composition and proceedings of directors. The Board Charter further outlines the roles and responsibilities of the Board and directors, and the membership, structure and administration of the Board. As a charity registered with the Australian Charities and Not-for-profits Commission, SVA also applies the ACNC Governance Standards.

Committees

The Board has delegated certain of its functions and powers to Committees to assist the Board in dealing with specialised matters more effectively and to use directors' time more efficiently.

- Finance, Audit & Risk Committee – Assists the Board in fulfilling its responsibilities in relation to financial management and reporting, audit, accounting systems and controls, risk management, investments and compliance with regulatory and legal responsibilities.
- People & Culture Committee – Assists and advises the Board in relation oversight of people and culture strategies, including staff remuneration and benefits, performance management, diversity, succession planning and people-related risks.
- Impact Investing Committee – Reviews and approves social impact bond (SIB) opportunities, reviews and endorses the establishment of other impact investing funds and products, and monitors the performance of SIBs and impact investing funds and other impact investing related governance and operational risks.

Remuneration of Directors

SVA's Constitution provides for directors to be paid reasonable remuneration for their services as directors as approved by the Members. To date, no proposal to remunerate non-executive directors has been put to the Members for approval.

Appointment and retirement of Directors and Committee members

Rob Koczkar was appointed as a director and Incoming Chair on 11 August 2020.

Adam Davids was appointed as a director on 11 August 2020.

Cindy Mitchell and Verity Lomax were appointed as directors on 12 October 2021.

Directors' Report

For the year ended 30 June 2021

Adrian Appo retired as a director on 11 August 2020.

Lisa Paul retired as a director on 19 November 2020.

Paul Robertson retired as a director and Chair on 19 November 2020.

Robert Fitzgerald retired as a director in accordance with the SVA Constitution at the 2020 Annual General Meeting on 19 November 2020 and was reappointed.

4 Board and Committee meetings

The number of directors' meetings and meetings of standing Board Committees, and the number of those meetings attended by each of the directors, during the financial year are set out in the table below.

Due to the unprecedented circumstances and challenges presented by the COVID-19 pandemic, additional directors' meetings were held during the financial year.

Director	Board Meetings		FAR Committee Meetings		People & Culture Committee Meetings		Impact Investing Committee meetings	
	Attended	Entitled	Attended	Entitled	Attended	Entitled	Attended	Entitled
Paul Robertson	5	5	-	-	-	-	-	-
Robert Koczkar	6	6	-	-	-	-	4	4
Adrian Appo*	1	3	-	-	-	-	-	-
Tanya Gilerman	7	8	5	5	-	-	-	-
Lisa Paul*	2	5	1	2	-	-	-	-
Daisy Mallett	7	8	-	-	2	2	4	4
Chris Harrop	8	8	-	-	2	2	1	1
Robert Fitzgerald	8	8	-	-	-	-	4	4
Suzie Riddell	8	8	-	-	-	-	4	4
Adam Davids	6	6	3	3	1	1		
Independent members of Board Committees								
Diana Radcliffe	-	-	5	5	-	-	-	-

* Adrian Appo and Lisa Paul on approved absence

5 Strategy and strategic priorities

SVA is a leading not-for-profit intermediary organisation in Australia. Our vision is for an Australia where all people and communities thrive. We influence systems to deliver better social outcomes for people by learning about what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change.

SVA's focus is on issues that affect the 1 in 4 people in Australia who experience some form of social disadvantage. SVA's strategy is to have a portfolio of capabilities to address that disadvantage through consulting services, impact investing activities and targeted programs of work in early childhood, school education and employment. SVA engages with government and convenes networks to influence policy and practice and amplify the work. And SVA fosters new forms of social sector innovation and incubation. As a learning organisation, we search for new responses to specific social challenges where we can have greatest impact and continuously evolve and refine our understanding of what drives vulnerability and work across public community and corporate sectors to influence a broad range of actors.

In the short to medium-term we have prioritised responding to the effects of COVID-19 by concentrating on financial viability, influencing and responding to government, building sector

Directors' Report

For the year ended 30 June 2021

resilience and recovery and enhancing learning and connection. This is underpinned by engaging with care and compassion for the SVA team itself as we experience the challenges of the pandemic in our own lives.

6 Principal activities

During the financial year, SVA worked towards its vision by engaging in activities that contribute to more effective systems for a better society whilst adapting to the challenges and opportunities presented by COVID-19. The principal activities of the Group were:

- Delivering 198 consulting engagements helping social purpose organisations, government, funders and corporates strengthen their ability to alleviate disadvantage and respond to the COVID-19 challenges.
- Sourcing and delivering high quality impact investment opportunities. These include the Social Impact Investment Trust (total commitments at the end of the 2021 financial year reached \$91m), funding closes for the Side by Side, Foyer Central and Newpin SA Social Impact Bonds. SVA continued its Synergis joint venture, a disability housing fund that completed 10 projects with 12 tenants moving into purpose-built accommodation.
- Enabling and supporting evidence-informed practice in Australian schools and early learning through Evidence for Learning, including guidance on home-supported learning, insights on mobilizing research evidence in schools and contributing to AERO (Australian Education Research Organisation), the new national education evidence institute funded by the Australian, State and Territory governments.
- Strengthening a network of high-performing school leaders across Australia through 'The Connection', delivering exceptional results within communities experiencing disadvantage and building education system capacity, rapidly pivoting to engage in these activities remotely.
- Helping social enterprises leverage social procurement opportunities and create jobs for people experiencing disadvantage through the Upscaler program including securing three resilience grants for capacity building to social enterprises in crisis.
- Promoting coalitions and improved services that support young jobseekers experiencing barriers to identify and pursue career pathways.
- Implementing new activities and partnerships that improve health, education and well-being outcomes in early childhood. *Young Children Thriving* secured substantial funding and support for a Catalyst group, scaling up an existing program and strengthening First Nations people led early childhood education and care.
- Leading policy and advocacy initiatives to influence government and funding decisions to improve the financial viability of the charities sector and improve outcomes for people and communities experiencing social disadvantage, with a focus on supporting charities to be resilient and effective partners in post-COVID economic recovery.
- Continuing to build the financial sustainability of SVA through more efficient administration practices including adapting to new ways of remote working and implementation of a new knowledge management system.

Directors' Report

For the year ended 30 June 2021

7 Review of operations and performance

The directors report that SVA's consolidated group activity has delivered a net surplus for the year of \$4.336m compared with a net loss of \$147k in the prior year. This strong result is due to operating costs deferred to future years, structural business changes, non-recurrent events, the changing risks associated with COVID-19, and other operating decisions. This year SVA received increased philanthropic donations for use in future years. This year also saw the completion of the program of work supporting venture partners and the cessation of its related distributions to venture partners, and one-off revenue from the establishment of three new Social Impact Bonds (SIBs).

Historically, SVA has experienced variable statutory results, partly due to the difference between the statutory recognition of philanthropic funding and the extended timing of funded activities. Any surpluses recorded improve SVA's financial security and are retained for future use.

SVA received \$1.7m of government subsidies for the first half of FY21 (FY20: \$892k). JobKeeper reduced the impact of the uncertainty experienced by the Company at the end of FY20 and the first half of FY21, providing time to respond to the challenges of remote service delivery and virtual fundraising.

SVA also benefited from strong support from funders with donation income 8% up on FY20. Furthermore, the financial market recovery drove a notable corpus investment result (\$0.9m).

Due to COVID-19, SVA applied a conservative approach to cost control across FY21. Staff costs were \$0.9m lower than the prior year due to lower staff numbers, and significantly lower travel and marketing costs were incurred. The impact of COVID-19 also delayed program delivery which further benefited the result. The consolidated Group result is made up as follows:

	2021	2020
	\$'000	\$'000
Social Ventures Australia Limited (the Parent)	4,336	(147)
SVA Nominees Pty Ltd	-	-
SVA Nominees No.2 Pty Ltd	-	-
Newpin SBB Pty Ltd	-	-
Social Ventures Australia Limited (Consolidated)	4,336	(147)

Net assets for the Group as at 30 June 2021 were \$18.77m (2020: \$14.43m).

8 Significant changes in the state of affairs

In the opinion of the directors there were no other significant changes in the state of affairs of SVA that occurred during the financial year under review.

9 Events subsequent to balance date

In the opinion of the directors, there were no other matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of SVA, the results of those operations, or the state of affairs of SVA in future financial years.

10 Likely developments

In the opinion of the directors, there are no changes in the operations of SVA that will adversely or significantly affect the results of SVA in subsequent financial years.

Directors' Report

For the year ended 30 June 2021

11 Liability of Members

The Company is a company limited by guarantee. Pursuant to the constitution of the Company, every member has undertaken in the event of a deficiency on winding up to contribute an amount not exceeding \$2. At 30 June 2021, the total of these guarantees was \$28 (2020: \$28).

12 Authority to fundraise

SVA has been granted authority to raise funds in NSW under the provisions of the *Charitable Fundraising Act 1991*, in Victoria under the provisions of the *Fundraising Act 1998*, in South Australia under the *Collections for Charitable Purposes Act 1939*, in Tasmania under the provisions of the *Collections for Charities Act 2001*, in Western Australia under the provisions for the *Charitable Collections Act 1946*, in Queensland under the provisions of the *Collections Act 1966* and in the Australian Capital Territory under the provisions of the *Charitable Collections Act 2003*.

13 Indemnification and insurance

SVA has directors' and officers' liability insurance covering each of the Group's directors and officers for liabilities incurred in the performance of their duties. The premiums in respect of the policy are paid by the Company.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

14 Reporting regulations

In accordance with the *Workplace Gender Equality Act 2012* (Cth), SVA has lodged its 2019-20 public report with the Workplace Gender Equality Agency. Members may obtain a copy of the report from the Company Secretary.

SVA's operations are not regulated by any significant environmental regulation under laws of the Commonwealth or of a state or territory.

15 Auditor's independence declaration

The Auditor's independence declaration is set out on page 12 and forms part of the directors' report for financial year ended 30 June 2021.

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



Rob Koczkar
Chairman

Dated at Sydney this 11 November 2021



Auditor's Independence Declaration

As lead auditor for the audit of Social Ventures Australia Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Elizabeth O'Brien'.

Elizabeth O'Brien
Partner
PricewaterhouseCoopers

Sydney
11 November 2021

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Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Revenue	2b	18,352	16,838	18,352	16,838
Other income	3b	748	883	748	883
Total operating income		19,100	17,721	19,100	17,721
Less: operating expenses					
Personnel expenses	4	(12,133)	(13,047)	(12,133)	(13,047)
Professional fees	5b	(1,335)	(1,273)	(1,335)	(1,273)
Administration		(779)	(847)	(779)	(847)
Travel		(70)	(407)	(70)	(407)
Depreciation and amortisation		(893)	(1,007)	(893)	(1,007)
Communications		(26)	(30)	(26)	(30)
Events and activities		(72)	(155)	(72)	(155)
Marketing		(154)	(205)	(154)	(205)
Distributions to venture partners		-	(625)	-	(625)
Other gains/(losses)	6	792	(113)	792	(113)
Total operating expenditure		(14,670)	(17,709)	(14,670)	(17,709)
Surplus from operating activities		4,430	12	4,430	12
Net finance costs	7b	(41)	(70)	(41)	(70)
Share of net loss of joint ventures accounted for using the equity method	17b	(53)	(89)	(53)	(89)
Surplus/(deficit) for the year attributable to members		4,336	(147)	4,336	(147)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year attributable to members		4,336	(147)	4,336	(147)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2021

	Note	Consolidated			Parent
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash	8a	11,044	7,181	11,044	7,181
Trade and other receivables	9d	1,630	1,448	1,630	1,448
Contract assets		797	595	797	595
Prepayments		232	172	232	172
Other financial assets	9e	5,134	4,378	5,134	4,378
Total current assets		18,837	13,774	18,837	13,774
Other financial assets	9e	100	127	100	127
Other receivables	9d	3,708	3,705	3,708	3,705
Property, plant and equipment	11b	412	565	412	565
Right-of-use assets	14b	1,455	2,033	1,455	2,033
Intangible assets	12b	75	110	75	110
Total non-current assets		5,750	6,540	5,750	6,540
Total assets		24,587	20,314	24,587	20,314
Liabilities					
Trade and other payables	13b	638	667	638	667
Deferred revenue		2,208	2,008	2,208	2,008
Provisions	15c	1,181	895	1,181	895
Lease liabilities	14b	568	547	568	547
Total current liabilities		4,595	4,117	4,595	4,117
Provisions	15c	293	267	293	267
Lease liabilities	14b	930	1,497	930	1,497
Total non-current liabilities		1,223	1,764	1,223	1,764
Total liabilities		5,818	5,881	5,818	5,881
Net assets		18,769	14,433	18,769	14,433
Accumulated funds					
Current year P&L		4,336	(147)	4,336	(147)
Prior period - retained earnings		14,433	14,472	14,433	14,472
Adjustment to opening balance of retained earnings		-	108	-	108
Members' funds		18,769	14,433	18,769	14,433
Total funds		18,769	14,433	18,769	14,433

The accompanying notes form part of these financial statements.

Statement of Changes in Member's Funds

For the year ended 30 June 2021

	Member's funds \$'000	Fair value reserve \$'000	Total \$'000
Consolidated group			
Balance at 1 July 2019	14,472	-	14,472
Deficit for the year	(147)	-	(147)
Other comprehensive income			
Adjustment to opening balance of Retained Earnings	108	-	108
Total comprehensive income for the year	(39)	-	(39)
Balance at 30 June 2020	14,433	-	14,433
Surplus for the year	4,336	-	4,336
Other comprehensive income			
Total comprehensive income for the year	4,336	-	4,336
Balance at 30 June 2021	18,769	-	18,769
Parent entity			
Balance at 1 July 2019	14,472	-	14,472
Deficit for the year	(147)	-	(147)
Other comprehensive income			
Adjustment to opening balance of Retained Earnings	108	-	108
Total comprehensive income for the year	(39)	-	(39)
Balance at 30 June 2020	14,433	-	14,433
Surplus for the year	4,336	-	4,336
Other comprehensive income			
Total comprehensive income for the year	4,336	-	4,336
Balance at 30 June 2021	18,769	-	18,769

The accompanying notes form part of these financial statements.

Statement of Cash flow

As at 30 June 2021

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities					
Cash receipts from customers and funders		16,378	17,790	16,378	17,790
Receipts from granting bodies		551	363	551	363
Receipts from government subsidy		1,745	892	1,745	892
Interest received on operating accounts		14	5	14	5
Cash paid to suppliers and employees		(14,820)	(17,063)	(14,820)	(17,063)
Net cash from/(used in) operating activities	8b	3,868	1,987	3,868	1,987
Cash flows from investing activities					
Acquisition of plant and equipment		(65)	(37)	(65)	(37)
Interest and dividends received		526	688	526	688
Acquisition of other financial assets		(100)	-	(100)	-
Proceeds from sale of financial assets		231	3	231	3
Investment in joint venture		(50)	(110)	(50)	(110)
Net cash from/(used in) investing activities		542	544	542	544
Cash flows from financing activities					
		(547)	(576)	(547)	(576)
Net cash from financing activities		(547)	(576)	(547)	(576)
Net increase in cash and cash equivalents		3,863	1,955	3,863	1,955
Cash and cash equivalents at beginning of year		7,181	5,226	7,181	5,226
Cash and cash equivalents at end of year	8a	11,044	7,181	11,044	7,181

The accompanying notes form part of these financial statements

Notes to and forming part of the Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

a) Reporting entity

Social Ventures Australia Limited (SVA, the Company or the Parent) is a public company limited by guarantee, incorporated and domiciled in Australia. SVA is a not-for-profit (NFP) entity. The address of the Company's registered office and principal place of business is Level 7, 1 Chifley Square, Sydney NSW 2000. The consolidated financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities).

The side-by-side inclusion of consolidated and parent entity financial statements is technically not permitted under the Act. However, the parent entity has chosen to present its separate financial statements together with the consolidated financial statements, as permitted under class order 10/654 provided by the Australian Securities and Investments Commission (ASIC). The class order is particularly needed by entities with an Australian Financial Services Licence (AFSL) which SVA holds. This class order is open ended and does not have any special conditions.

The consolidated financial statements were authorised for issue by the Board of Directors on 10 November 2021. The Board of Directors has the power to amend and reissue the Financial Report.

b) Basis of preparation

The financial statements are Tier 2 general-purpose financial statements, which have been prepared on an accrual basis and in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB), and the Australian Charities and Not-for-Profit Commission Act 2012.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. This takes into account management's assessment of the impact of COVID-19 on the Group's key activities, assets and income streams.

The financial report has been prepared on a historical cost basis except for financial assets and liabilities at fair value through profit or loss which are measured at fair value. The methods used for measuring fair value are discussed further below.

Judgments, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

c) Functional, presentation currency and foreign exchange translation

Figures shown in the financial statements have been rounded to the nearest \$1,000 and expressed in Australian currency, unless indicated otherwise. The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and therefore the amounts contained in the financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. Non-monetary assets and liabilities are translated at their historic rates of exchange at their respective transaction dates.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

d) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards that include Australian Accounting Interpretations.

e) Changes to the Group's statement of Comprehensive Income

In previous years, operating rental income was offset against operating lease costs and presented as part of administration expenses. In 2021, the Group moved to a gross approach to present operating rental income in other income.

The Group also reviewed the disclosure line "net finance income" which previously included interest income, interest expenses, investment income and gain/loss, and made the below changes:

- dividend income on financial assets at FVTPL and interest income on financial assets at amortised cost are presented in other income
- net foreign exchange gain/loss and net gain/loss on financial assets at FVTPL are presented in other gains/losses
- share of net loss of joint ventures accounted for using the equity method is presented separately in statement of comprehensive income, and
- interest income and interest expense on lease liabilities are continued to be presented as net finance income/cost.

As a result, other income, other gains/(losses), net finance costs, share of net loss of joint venture accounted for using the equity method, and administration have been recalculated in 2020 statement of comprehensive income for comparative purposes. The total comprehensive income attributable to members remains the same for 2020.

f) Basis of consolidation

Subsidiaries are entities controlled by the Group as at 30 June 2021. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Transactions eliminated on consolidation include intra-group balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies (continued)

g) Accounting for goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Group as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

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

h) Income tax

As a charitable institution, the Company is exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*.

i) Equity

The category "Accumulated Funds" includes all current and prior period retained funds.

Separate reserve accounts are recognised in the financial statements only if specific legislation or Australian Accounting Standards require such accounts.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

2. Revenue

a) Recognition and measurement

Revenue from contracts with clients

(i) Consulting and professional services

The Group recognises revenue from contracts with clients for the provision of consulting and professional services. Revenue is recognised when the service is provided or by reference to the stage of completion, which is based on labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised as the services are provided. Customers are invoiced and payment is due in 14 days. Revenues relating to future activities is transferred to deferred income and recognised in the year the service is provided. The Group also provide training sessions and the revenue is recognised at a point of time when training is delivered. Payments are received in advance from online enrolment.

(ii) Management and establishment fees

The Company earns management and establishment fees in its role as manager of its related Trust entities.

Management fee revenue is earned on holding, investing and managing assets on behalf of Social Impact Benefit Trusts, in accordance with the terms of the management agreements. Management fee revenue is recognised over the period in which the services are performed.

Establishment fees arise on the establishment of new Funds and are only recognised as revenue at a point in time when it becomes certain that the Funds will be successfully established. This usually occurs when Trust funding has been secured, such as when irreversible subscription notices have been received.

The Trusts and other customers are invoiced and payment is due in 14 days from the date of the invoice.

(iii) Sponsorship

Sponsorship revenue is recognised over the time by the Group in accordance with the terms and conditions of the signed sponsorship contracts, which specify the timing, form and value of the sponsorship benefits. Customers are invoiced and payment is due in 14 days from the date of the invoice. Sponsorship funds may be applied to expenditure in the current or future financial years.

(iv) Grants and other government income

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be met. When the grant relates to an expense item, or funds a program of work, it is recognised as income on a systematic basis over the periods that the related costs are expensed.

Other government income is earned on the rendering of services and is recognised over the time as performance obligations are satisfied. Customers are invoiced and payment is due in 14 days.

Contract balances

A fee receivable is recognised if an amount of consideration that is unconditional is due from the customer. A contract asset represents the estimated value of performance obligations delivered up to the balance sheet date that have yet to be billed to customers. Amounts recognised as contract assets are reclassified to fee receivables at the point at which they are invoiced to customers. Both fees receivables and contract assets are subject to impairment assessment.

A contract liability is recognised if a payment is received or a payment is due from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract and the control of goods or services are transferred to the customer.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

2. Revenue (continued)

a) Recognition and measurement (continued)

Other Revenue

(i) Donations

Revenue that does not meet the criteria of AASB 15 is recognised under AASB 1058, where:

- the consideration to acquire an asset is significantly less than fair value, principally to enable an NFP to further its objectives, or
- the receipt of volunteer services.

The Group receives donations in the form of cash or services.

The Group records cash donations as revenue when received. Other liabilities or obligations do not typically arise from the receipt of donations.

The Group receives various forms of in-kind support from organisations for professional services such as legal advice, consulting, training and audit, and services such as printing, function rooms and catering. The Group makes the election not to recognise in-kind support received.

(ii) Government Subsidy

In response to the COVID-19 pandemic, governments are providing a range of financial support including JobKeeper. The government support does not involve the transfer of goods or services and accordingly, the revenue is accounted for under AASB 1058. The Group recognises as an asset when the eligibility criteria for the subsidy are met.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

2. Revenue (continued)

b) Revenue

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue				
Revenue from contracts with customers	11,087	10,948	11,087	10,948
Donations	5,520	4,998	5,520	4,998
Government subsidy	1,745	892	1,745	892
Total revenue	18,352	16,838	18,352	16,838

c) Disaggregation of Revenue from contracts with clients

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue from contracts with customers				
Consulting and professional services	7,481	7,962	7,481	7,962
Management and establishment fees	2,039	1,613	2,039	1,613
Sponsorship, grants and other income	1,567	1,373	1,567	1,373
Total revenue from contracts with customers	11,087	10,948	11,087	10,948
Timing of revenue recognition				
At a point in time	316	43	316	43
Over time	10,771	10,905	10,771	10,905
Total revenue from contracts with customers	11,087	10,948	11,087	10,948

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

3. Other Income

a) Recognition and measurement

(i) Rental Income

Rental income is recognised in accordance with the terms of licence deed. Rental income is recognised over the period in which the desks are provided to licensees.

(ii) Dividend income on financial assets at FVTPL

Dividend income is recognised in the statement of comprehensive income for the year on the date that the Group's right to receive payment is established.

(iii) Interest income on financial assets at amortised cost

Interest income from financial assets classified as amortised costs calculated using the effective interest method is recognised as part of other income in the statement of comprehensive income. Interest income recognised using a method that approximates the effective interest method. The effective interest method measures the amortised cost of a financial asset and allocates the interest income over the relevant period using the effective interest which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

b) Other income

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Rental Income	124	83	124	83
Dividend income on financial assets at FVTPL	104	289	104	289
Interest income on financial assets at amortised cost	520	511	520	511
Other Income	748	883	748	883

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

4. Personnel Expenses

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Wages and salaries	(11,879)	(12,746)	(11,879)	(12,746)
Contractors	(101)	(156)	(101)	(156)
Other associated personnel expenses	(153)	(145)	(153)	(145)
Total personnel expenses	(12,133)	(13,047)	(12,133)	(13,047)

5. Professional and Sub-Contractor Fees

a) Recognition and measurement

(i) Payments to service providers

The Company engages third-party service providers to help deliver specialist project or program-based work. The cost of these services is expensed as they are incurred.

(ii) Audit fees

Audit fees include the audit of the consolidated statutory accounts of the Group, the audit of the Australian Financial Services Licence ("AFSL") for the Company, as well as the audits of some of the managed Trust entities.

PwC provides the services to the Group on a pro bono basis, accordingly the fees payable for 2021 audit services is \$nil.

b) Professional and sub-contractor fees

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Payments to service providers	(759)	(785)	(759)	(785)
Professional fees	(533)	(431)	(533)	(431)
Licence fees	(43)	(57)	(43)	(57)
Audit fees (note 5a (ii))	-	-	-	-
Total professional and sub-contractor fees	(1,335)	(1,273)	(1,335)	(1,273)

6. Other gains/(losses)

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net foreign exchange losses	(16)	(5)	(16)	(5)
Net gain/(loss) on financial assets at FVTPL	808	(108)	808	(108)
Other gains/losses	792	(113)	792	(113)

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

7. Net Finance Costs

a) Recognition and measurement

Interest income and expense is only recognised when the Group's right to receive payment is established or expense incurred.

Interest income recognised in the statement of comprehensive income using a method that approximates the effective interest method. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purpose.

b) Net finance costs

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest income	15	5	15	5
Interest expense on lease liabilities	(56)	(75)	(56)	(75)
Total net finance cost	(41)	(70)	(41)	(70)

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

a) Cash and cash equivalents

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	7,969	4,367	7,969	4,367
Cash in foreign currency	9	-	9	-
Cash in managed fund accounts	3,066	2,814	3,066	2,814
Total cash and cash equivalents	11,044	7,181	11,044	7,181

b) Reconciliation of the net result to net cash flows from operating activities

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Surplus/(deficit) for the year	4,336	(147)	4,336	(147)
Adjustments for:				
Depreciation and amortisation	893	1,007	893	1,007
Dividend and interest received on investments	(624)	(830)	(624)	(830)
Impairment on financial assets at amortised cost	1	30	1	30
Net Profit/Loss on investment assets	(724)	251	(724)	251
(Increase)/decrease in receivables & prepayments	(393)	496	(393)	496
Increase/(decrease) in payables	(70)	(366)	(70)	(366)
Increase/(decrease) in deferred & unearned income	200	1,268	200	1,268
Increase/(decrease) employee provisions	249	278	249	278
Net cash (used in)/from operating activities	3,868	1,987	3,868	1,987

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

9. Financial Assets

a) Recognition and measurement

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised costs
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through OCI (FVOCI)

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value.

Financial assets at amortised costs are subsequently measured using the effective interest rate (EIR) method and are subject to impairment (Note 9c). Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes fees receivables, other receivables, security deposits, shareholder loan and loan to Goodstart Early Learning Limited.

(i) Fees receivables

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Other receivables

Other receivables include employee reimbursements, costs to be recovered from customers, accrued income and rent deposits.

(iii) Security deposits

Security deposits are restricted cash held with the Commonwealth Bank linked to the bank guarantee issued for leased premises.

(iv) Loan - Goodstart Early Learning Limited

The Group is part of the syndicate of not-for-profit organisations that formed Goodstart Early Learning Limited (Goodstart) in 2010, the entity that won the bid to take over 650 ABC Learning Centres from the receivers. Operating as a not-for-profit organisation itself, Goodstart ensures all surplus funds are reinvested to improve early childhood learning and care at the Early Learning centres.

To fund the acquisition, Goodstart worked with a number of funders providing innovative funding solutions for the acquisition. The Group's participation in the syndicate does not draw on any of the Group's funds. The Group has an entitlement to a coupon of 15 per cent per annum. The Group holds 25% of the voting powers of the Goodstart members. Members voting powers are limited to the terms of the Goodstart constitution. The loan is unsecured without collateral.

The repayment term of this facility is a bullet payment at 20 years from 28 May 2010 being the date of acquisition. The loan is disclosed as a non-current receivable, upon which interest has been either received or accrued and reported in current interest receivable.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

9. Financial Assets (continued)

a) Recognition and measurement (continued)

(v) Shareholder loan – Social Infrastructure Investment Partners

In September 2019, SVA and Federation Asset Management (FAM) established a joint venture Social Infrastructure Investment Partners Pty Ltd (SIIP) as a specialist investment management company to manage the Synergis Fund. SVA and FAM entered into a Shareholder Loan Agreement to advance funds to SIIP upon receipt of a request from SIIP for costs and expenses arising from its establishment and operation. The amount of \$200,000 is to be provided by each Lender to the Borrower. Amounts repaid or prepaid may not be redrawn. The loan is unsecured and has a voluntary prepayment option. Interest is charged at 10% p.a. During the financial year, the term of the Shareholder Loan Agreement with each of SVA and FAM was extended by 3 years to 30 June 2025.

Financial assets at FVTPL

Financial assets classified as FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. These financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Donated investments are measured at fair value at the point of donation. The fair value of donated unlisted financial assets is based on the discounted cash flows expected to be derived from the asset.

After initial measurement, financial assets classified as FVTPL are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

This category includes listed debt and equity investments and unlisted investments which the Group did not make the irrevocable election to account for them at FVOCI.

Financial assets at FVOCI

The Group elected not to irrevocably classify its non-listed equity investments under this category.

b) Derecognition

Financial assets are derecognised when the rights to receive cash flow from the assets have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the receive cash flows in full without material delay to a third party under a “pass-through” arrangement; and either the Group has transferred substantially all the risks and rewards of the assets, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

c) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

9. Financial Assets (continued)

c) Impairment of financial assets (continued)

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). If a loan is considered to have low risk using all reasonable and supportable information, 12-month ECL is applied.

Where applicable, the Group has applied the simplified approach to calculate ECL for fees receivables where a loss allowance is recognised based on lifetime ECL at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic condition.

The Group has assessed the ECL for other receivables and deposit securities and determined the ECL is nil for these assets.

d) Financial assets at amortised cost

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current – Trade and other receivables				
Fees receivable	1,510	1,038	1,510	1,038
Allowance for ECL - Fees Receivable	(10)	(18)	(10)	(18)
Other receivables	57	356	57	356
Security deposits	73	72	73	72
Total current	1,630	1,448	1,630	1,448
Other non-current receivables				
Security deposits	404	404	404	404
Loan to joint venture	180	115	180	115
Allowance for loan to joint venture	(175)	(115)	(175)	(115)
Loan to Goodstart Early Learning Limited	3,366	3,366	3,366	3,366
Allowance for ECL - Goodstart	(67)	(65)	(67)	(65)
Total non-current	3,708	3,705	3,708	3,705

Allowance for loan to joint venture includes \$33k ECL provision and \$142k share of loss in the long-term interest of the joint venture.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

9. Financial Assets (continued)

d) Financial assets at amortised cost (continued)

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Group's assessment of expected credit losses from its receivables portfolio which are subject to a number of management judgements and estimates. The judgements and associated assumptions have been made within the context of the impact of COVID-19, and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. Accordingly, the Group's expected credit losses estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

e) Financial assets at FVTPL

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other Current financial assets				
Financial assets classified as FVTPL	5,134	4,378	5,134	4,378
Listed securities	3,519	2,591	3,519	2,591
Unlisted investments	1,615	1,787	1,615	1,787
Total current	5,134	4,378	5,134	4,378
Other non-current financial assets				
Financial assets classified as FVTPL - NC	100	127	100	127
Listed securities				
Unlisted investments	100	127	100	127
Total non-current	100	127	100	127

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

10. Fair Value Hierarchy

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under *AASB 13 Fair Value Measurement*, the Group categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 quoted prices in active markets for identical assets / liabilities that Group can access at the measurement date.
- Level 2 inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 inputs that are not based on observable market data (unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Balance as at 30 June 2020				
Listed securities	2,591	-	-	2,591
Unlisted investments	-	1,750	164	1,914
Total carrying value available-for-sale financial assets	2,591	1,750	164	4,505
Balance as at 30 June 2021				
Listed securities	3,519	-	-	3,519
Unlisted investments	-	1,615	100	1,715
Total carrying value financial assets classified as FVTPL	3,519	1,615	100	5,234

Reconciliation of level 3 fair value measurements

	Consolidated and Parent	
	2021 \$'000	2020 \$'000
Fair value as at 1 July	164	197
Additions	100	-
Revaluation	(7)	(33)
Disposals	(157)	-
Fair value as at 30 June	100	164

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

11. Property, Plant and Equipment

a) Recognition and measurement

(i) Initial Recognition

Property, plant and equipment assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss for the year as incurred.

(iii) Impairment of property, plant and equipment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Management has assessed the leasehold property, plant and equipment assets for impairment at balance date and determined that it is not impaired.

(iv) Depreciation and amortisation

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis to write off the depreciable amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. All material identifiable components of assets are depreciated separately over their useful lives. The depreciation expense has been included in statement of comprehensive income as part of the depreciation and amortisation expense.

Assets not yet deployed do not attract depreciation. Once a capital work is completed and in operation, the associated WIP balance is recognised as an asset and subsequently depreciated.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

11. Property, Plant and Equipment (continued)

a) Recognition and measurement (continued)

(iv) Depreciation and amortisation (continued)

The estimated useful lives for current and comparative periods are:

- Office equipment 5 years
- Computer equipment 1-5 years
- Leasehold improvements, furniture and fittings 5-6 years

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

(v) Disposal of fixed assets

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within other income in the surplus or deficit for the year.

b) Carrying amount of property, plant and equipment

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Office equipment				
Gross carrying amount	7	7	7	7
Less: accumulated depreciation	(5)	(4)	(5)	(4)
Office equipment – at carrying value	2	3	2	3
Computer equipment				
Gross carrying amount	376	436	376	436
Less: accumulated depreciation	(270)	(307)	(270)	(307)
Computer equipment – at carrying value	106	129	106	129
Leasehold improvements, furniture and fittings				
Gross carrying amount	991	991	991	991
Less: accumulated depreciation	(687)	(558)	(687)	(558)
Leasehold, furniture and fittings – at carrying value	304	433	304	433
Total property, plant and equipment at carrying value	412	565	412	565

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

11. Property, Plant and Equipment (continued)

c) Carrying amount of property, plant and equipment

Reconciliation of the fair value of property, plant and equipment is set out below.

	Office equipment	Computer equipment	Leasehold, furniture & fittings	Total
	\$'000	\$'000	\$'000	\$'000
Gross carrying amount				
Balance at 1 July 2020	7	436	991	1,434
Additions	-	63	-	63
Disposals and write-offs	-	(123)	-	(123)
Balance at 30 June 2021	7	376	991	1,374
Depreciation and Impairment				
Balance at 1 July 2020	(4)	(307)	(558)	(869)
Depreciation charge for the year	(1)	(86)	(129)	(216)
Disposals and write-offs	0	123	-	123
Balance at 30 June 2021	(5)	(270)	(687)	(962)
Net book value				
Balance at 1 July 2020	3	129	433	565
Balance at 30 June 2021	2	106	304	412

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

12. Intangibles (software)

a) Recognition and measurement

The intangible assets held by the Group comprise software held for internal use and recognised initially at cost and are being amortised on a straight-line basis over five years, unless another useful life is subsequently determined to be more appropriate.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Group's intangible assets, the assets are carried at cost less any accumulated amortisation.

Management has assessed the intangible assets for impairment at balance date and determined that it is not impaired.

b) Intangibles

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Computer software				
Gross carrying amount	184	183	184	183
Less: accumulated amortisation	(109)	(73)	(109)	(73)
Total intangibles - fair value	75	110	75	110

13. Trade and Other Payables

a) Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group and other amounts, including interest, and other income in advance. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

b) Trade and other payables

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables	118	52	118	52
Accrued expenses	104	185	104	185
Other payables	416	430	416	430
Total trade and other payables	638	667	638	667

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

14. Leases

a) Recognition and measurement

For any new contracts entered into on or after 1 July 2019, the Group assessed at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has lease contracts for various items of property and office equipment. Leases of property have lease terms between 1 and 6 years with options to renew, while office equipment have lease terms between 3 and 5 years. With these leases the Group applies a single recognition and measurement approach, recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At lease commencement date, the Group recognises a right-of-use asset at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent to initial measurement, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Subsequent to initial measurement, the lease liability is increased on interest on the liability and reduced by payments made. The lease liability is subject to remeasurement to reflect reassessment or lease modifications. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value asset" recognition exemptions for these leases. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b) Leases

(i) Right-of-use assets:

	Property	Office equipment	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Balance at 30 June 2020	2,013	20	2,033
Additions	63	-	63
Depreciation expense	(633)	(8)	(641)
Balance at 30 June 2021	1,443	12	1,455

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

14. Leases (continued)

b) Leases (continued)

(ii) Lease liabilities:

	Property \$'000	Office equipment \$'000	Total \$'000
Gross carrying amount			
Balance at 30 June 2020	2,023	21	2,044
Additions	-	-	-
Accretion of interest	55	1	56
Payments	(593)	(9)	(602)
Balance at 30 June 2021	1,485	13	1,498
Current	559	9	568
Non current	926	4	930
Total Lease Liabilities	1,485	13	1,498

(iii) Lease related amounts in statement of comprehensive income:

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	641	684	641	684
Interest expense on lease liabilities	56	75	56	75
Expense relating to short-term leases (included in administration)	141	52	141	52
Total amount recognised in profit or loss	838	811	838	811

(iv) The Group had total cash outflows for leases of \$817k in FY2021 (2020: \$773k).

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

15. Provisions

a) Employee benefits provision

Recognition and measurement

Employee benefits are recognised in accordance with *AASB 119 Employee Benefits*.

(i) Annual leave and sick leave

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value.

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(ii) Long service leave

The Group's net obligation in respect of long-term employee benefits 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. Published actuarial rates developed for the purpose of discounting employee benefit liabilities under AASB 119 are used to discount long service leave. The bond rates used at the reporting date vary based on the length of years to entitlement as follows:

Years to entitlement	2021	2020
1 - 2 years	0.21%	0.67%
2 - 3 years	0.43%	0.77%
3 - 4 years	0.74%	0.95%
4 - 5 years	1.07%	1.16%
5 - 6 years	1.41%	1.40%

Amounts expected to be settled wholly within 12 months of reporting date are not discounted.

b) Make good provision

A make good provision is recognised when the Group enters into a lease contract that requires the property to be returned to the lessor in its original condition. The provision is based on the expected future cost of the refurbishment discounted to reflect current market assessments.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

15. Provisions (continued)

c) Current and non-current provisions

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Provision for annual leave	816	680	816	680
Provision for long service leave	291	148	291	148
Provision for property make good	74	67	74	67
Total current	1,181	895	1,181	895
Non-current				
Provision for long service leave	116	147	116	147
Provision for property make good	177	120	177	120
Total non-current	293	267	293	267
Total provisions	1,474	1,162	1,474	1,162

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

16. Commitments and Contingencies

a) Operating lease commitments

The Group has certain non-cancellable leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the “short-term lease” and “lease of low-value asset” recognition exemptions for these leases. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Future minimum payments under the non-cancellable short-term leases as at 30 June 2021 are as follows:

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Within one year	47	27	47	27
After one year but no more than five years	-	-	-	-
More than five years	-	-	-	-
Total lease commitments	47	27	47	27

b) Contingent assets and liabilities

SVA has a contingent liability to SVA Nominees No 2 Pty Ltd ATF SVA Diversified Impact Fund (DIF) in the form of 10 callable loans. These loans provide downside protection for the Unitholders of DIF if they do not receive their full amount of paid-up capital in combined capital and income distributions, up to the maximum value of \$3m.

In this event, the Trustee of DIF will call the loans from SVA, and SVA will call on the back-to-back callable loans with 10 Private Ancillary Funds (PAFs). SVA's obligation to advance the called amounts to DIF will be limited to the extent it has received funding from the PAFs under the PAF-SVA loans.

This guarantee could be called upon at the earliest of either 21 December 2028 or the termination of DIF.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

17. Related Parties

a) Subsidiaries

Social Ventures Australia Limited (the Company) has holdings in several subsidiaries. These subsidiaries also act as trustees for a number of trusts managed by SVA.

	% Equity Interest		Investment \$	
	2021	2020	2021	2020
Social Ventures Australia Ltd				
SVA Nominees Pty Ltd (Trustee)	100%	100%	20	20
SVA Nominees No. 2 Pty Ltd (Trustee)	100%	100%	20	20
Newpin SBB Pty Ltd (Trustee)	100%	100%	4	4
Total parent investment in subsidiaries			44	44
Total group investment in subsidiaries			44	44

Investments in subsidiaries are accounted for at cost in accordance with AASB127 *Consolidated and Separate Financial Statements*.

b) Joint venture

SVA established a joint venture investment manager entity, Social Infrastructure Investment Partners Pty Ltd (SIIP) with Federation Asset Management in September 2019.

	% Equity Interest		Investment \$	
	2021	2020	2021	2020
Social Ventures Australia Ltd				
Social Infrastructure Investment Partners Pty Ltd	50%	50%	5	5
Total parent investment in joint venture			5	5
Total group investment in joint venture			5	5

Investments in joint venture are accounted for using equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. SIIP reported a loss of \$106k for the year, and SVA has accordingly recorded the share of loss of \$53k, being its share of the loss recorded by the joint venture. This is in addition to the ECL provided for the shareholder loan.

SVA also entered into a Shareholder Loan Agreement with SIIP to advance funds for its establishment and operation. The maximum drawdown is \$200,000 with interest accrued on daily basis. The loan is unsecured and repayable in full on 30 June 2025 with voluntary prepayment option. Interest is charged at 10% per annum.

	Shareholder loan \$		Interest accrued \$	
	2021	2020	2021	2020
Social Infrastructure Investment Partners Pty Ltd	159,964	109,964	19,984	5,082
Total parent shareholder loan	159,964	109,964	19,984	5,082
Total group shareholder loan	159,964	109,964	19,984	5,082

SVA received \$164k fees for professional services from providing middle and back-office support in operation and pursuant to a services agreement entered into with SIIP. SIIP had no other contingent liabilities or commitments as at 30 June 2021.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

17. Related Parties (continued)

c) Social Impact Bonds and Funds

SVA is the investment manager for the following trusts, the trustees of which are wholly-owned subsidiaries of SVA. SVA received \$1,526k (2020: \$1,517k) management and establishment fees for services provided under the relevant management agreements.

Funds

SVA Nominees No. 2 Pty Ltd ATF SVA Diversified Impact Fund

SVA Nominees No. 2 Pty Ltd ATF Social Impact Investment Trust

Social Impact Bonds

Newpin SBB Pty Ltd ATF Newpin SBB Trust (wound-up on 16 June 2021)

SVA Nominees Pty Ltd ATF Newpin QLD SBB Trust (SBB program terminated in June 2020 and Trust in the process of being wound-up)

SVA Nominees Pty Ltd ATF Sticking Together SIB Trust (SIB program terminated December 2020 and Trust in the process of being wound-up)

SVA Nominees Pty Ltd ATF Aspire SIB Trust

SVA Nominees Pty Ltd ATF Resolve SBB Trust

SVA Nominees Pty Ltd ATF Side by Side SIB Trust

SVA Nominees Pty Ltd ATF Foyer Central SIB Trust

SVA Nominees Pty Ltd ATF Newpin SA SIB Trust

SVA also holds 1000 units in the Foyer Central SIB Trust and \$100,000 notes, being 1.43% of the total notes on issue.

SVA Nominees No. 2 Pty Ltd ATF SVA Diversified Impact Fund (DIF) has a guarantee from SVA in the form of a callable loan, to the maximum value of \$3m. SVA in turn has a callable loans with 10 private ancillary funds that guarantee payment in circumstances where the SVA loans are called. This guarantee could be called upon at the earliest of either 21 December 2028 or the termination of the Fund, if the investors have not received a cumulative \$1.00 per unit (or the amount of paid capital, whichever is less) in combined capital and income distributions of any form. This arrangement has not been changed or called upon since inception.

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

17. Related Parties (continued)

d) Key management personnel

The key management personnel compensation for the consolidated group included in "personnel expenses" (Note 4). The directors of the company do not receive remuneration for their services as directors.

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Remuneration	1,775,123	1,524,146	1,775,123	1,524,146

The increase in remuneration received by key management personnel is driven by a change in the structure of the Leadership Team and voluntary salary reductions taken by the team during 2020 as part of cost reduction efforts in response to the COVID-19 pandemic which largely did not carry into 2021.

Other arm's length transactions between the key management personnel or associates of the Group, and SVA or Funds managed by SVA include:

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Donations to SVA	336,156	334,712	336,156	334,712
Investments in SIBs/Funds				
Committed value of units held at 30 June	352,500	301,000	352,500	301,000
Distributions received during year	3,000	3,966	3,000	3,966

In addition PAF's associated with key management personnel have entered into callable loan agreements with SVA to support the DIF guarantee to a maximum value of \$0.95m.

e) Other related parties

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Goodstart Early Learning Limited				
Loan from SVA	3,365,608	3,365,608	3,365,608	3,365,608
Interest received on loan	504,841	506,224	504,841	506,224
Fees received for consulting services	-	-	-	-
Australian Affordable Housing Securities Limited				
SVA holds redeemable preference shares	-	120,000	-	120,000
Dividends	1,389	3,000	1,389	3,000
Board fees	6,745	5,800	6,745	5,800

Notes to and forming part of the Financial Statements (continued)

For the year ended 30 June 2021

18. Results from Fundraising

The disclosures below apply to both the Consolidated and Parent entities.

	Consolidated and Parent	
	2021	2020
	\$'000	\$'000
Total operating revenue	18,352	16,838
Other income	748	883
Total income	19,100	17,721

Total consolidated operating revenue includes donations and sponsorship income of \$6,591k (2020: \$6,047k).

Philanthropic funding is contributed by the following sectors as a percentage of total funds raised:

	Consolidated and Parent	
	2021	2020
	\$'000	\$'000
Individuals and family foundations	40-50%	35-45%
Corporates and corporate foundations	25-35%	30-40%
Institutional/charitable foundations	20-30%	20-30%
Gross proceeds from fundraising and sponsorships	6,591	6,047
Costs associated with fundraising and sponsorships	(956)	(1,014)
Fundraising costs as a % of total funds raised	15%	17%
Net surplus obtained from fundraising	5,635	5,033

Fundraising costs as a percentage of total funds raised was 15% (2020: 17%) for the year.

Costs associated with fundraising and sponsorships is based on an allocation of key staff time in maintaining relationships and supporting funder functions held throughout the year. Costs also include an allocation of overheads of the underlying indirect costs.

19. Subsequent Events

In the opinion of the directors, there were no other matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of SVA, the results of those operations, or the state of affairs of SVA in future financial years.

Declaration by the Board in respect of fundraising activities

For the year ended 30 June 2021

We, the Board of Directors of Social Ventures Australia Limited, declare in our opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Social Ventures Australia Limited with respect to fundraising appeals activities for the financial year ended 30 June 2021;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2021;
- (c) the provisions of the *Charitable Fundraising Act 1991 (NSW)* and Regulations and the conditions attached to the authorities have been complied with for the financial year ended 30 June 2021; and
- (d) the internal controls exercised by Social Ventures Australia Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Rob Koczkar

Chairman

Dated at Sydney this 11 November 2021

Directors' Declaration

For the year ended 30 June 2021

In the opinion of the directors of Social Ventures Australia Limited (the Company):

- (a) the consolidated financial statements and notes that are set out on pages 13 to 44, are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and the Australian Charities and Not-for-Profits Commission Regulation 2013; and
- (b) 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 directors.



Rob Koczkar

Chairman

Dated at Sydney this 11 November 2021



Independent auditor's report

To the members of Social Ventures Australia Limited

Our opinion

In our opinion:

The accompanying financial report of Social Ventures Australia Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Corporations Act 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012 and Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Report on the requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulations 2015 (NSW)

We have audited the financial report of Social Ventures Australia Limited (the Company) as required by Section 24(2) of the *Charitable Fundraising Act 1991 (NSW)*. The directors of the Company are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 2015 (NSW)*. Our responsibility is to express an opinion on the financial report based on our audit.

In our opinion, in all material respects:

- a) The financial report of the Company represents a true and fair view of the financial result of the fundraising appeals for the financial year ended 30 June 2021 and has been prepared in accordance with section 24(2)(a) of the *Charitable Fundraising Act 1991 (NSW)*.
- b) The accounts and associated records have been properly kept during the financial year ended 30 June 2021 in accordance with:
 - i. sections 20(1), 22(1-2), 24(1-3) of the *Charitable Fundraising Act 1991 (NSW)*
 - ii. sections 10(6) and 11 of the *Charitable Fundraising Regulations 2015 (NSW)*
- c) The money received as a result of fundraising appeals conducted by the Company during the financial year ended 30 June 2021 has been properly accounted for and applied in accordance with the above mentioned Act and Regulation.

PricewaterhouseCoopers

PricewaterhouseCoopers

Elizabeth O'Brien

Elizabeth O'Brien
Partner

Sydney
11 November 2021