

EFFECTIVE ALTRUISM AUSTRALIA LTD.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2018**

EFFECTIVE ALTRUISM AUSTRALIA LTD.

BOARD OF DIRECTORS' REPORT

Your board of directors submit the financial report of Effective Altruism Australia Ltd for the year ended 30 June 2018.

Board of Directors

The names and particulars of the directors of the company during and since the end of the financial year are:

Lina Calabria

Lina is a co-founder and Chief Sales and Marketing Officer at Bellroy, a Melbourne based carry accessories company whose mission includes using business as a force for good. Prior to working at Bellroy, Lina has also held leadership positions (including CEO and executive director) at a number of organisations. Lina holds a Bachelor of Engineering (Hons.) from The University of Melbourne

Dr. Brenton Mayer

Brenton is a medical doctor from Queensland with an interest in public health. He is currently working for 80,000 hours, a non-profit which gives career advice to people wanting to use their careers to have a large social impact

Peter McIntyre

Peter has a background in events and sales management and studied medicine at the University of New South Wales. He also works at 80,000 hours, where he is the Director of Coaching.

Dr. Ben Toner

Ben is a co-founder of Vesparum Capital, a capital markets advisory firm, and Draftable, an enterprise software startup. Ben holds a Ph.D. in Physics from Caltech and a Bachelor of Science (Hons.) from The University of Melbourne.

The abovenamed directors held office during the whole of the financial period under review and since the end of the financial year.

Directors' Meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a member of the board).

| Director | Meetings Eligible | Attended |
|-----------------|--------------------------|-----------------|
| Lina Calabria | 6 | 6 |
| Brenton Mayer | 6 | 6 |
| Peter McIntyre | 6 | 5 |
| Ben Toner | 6 | 6 |

Principal Activities

The principal activities of the company during the financial year were fundraising and making grants with the purpose of most effectively alleviating poverty, distress and suffering.

Significant Changes in Operations during the period

There has been no significant change in the nature of these activities occurred during the year.

Operating Result

The profit for the year amounted to \$52,200.

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



.....
Ben Toner

Director

Dated this 12th day of November 2018

EFFECTIVE ALTRUISM AUSTRALIA LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

| | Note | 2018 | 2017 \$ |
|--|-------------|----------------------|--------------------------|
| Revenues | 2 | 1,809,882 | 1,169,384 |
| Expenses | 3 | (1,757,682) | (1,158,356) |
| Profit/(loss) before income tax expense | | <u>52,200</u> | <u>11,028</u> |
| Income Tax Expense | 1a | - | - |
| Total comprehensive income for the year | | <u><u>52,200</u></u> | <u><u>11,028</u></u> |

The accompanying notes form part of these financial statements

EFFECTIVE ALTRUISM AUSTRALIA LTD.

**BALANCE SHEET
AS AT 30 JUNE 2018**

| | Note | 2018 | 2017 |
|--------------------------------------|------|----------------------|----------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,288,933 | 645,227 |
| Receivables | 5 | <u>-</u> | <u>8,070</u> |
| TOTAL CURRENT ASSETS | | <u>1,288,933</u> | <u>653,297</u> |
| TOTAL NON-CURRENT ASSETS | | | |
| TOTAL ASSETS | | 1,288,933 | 653,297 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | <u>1,223,716</u> | <u>640,280</u> |
| TOTAL CURRENT LIABILITES | | <u>1,223,716</u> | <u>640,280</u> |
| TOTAL NON-CURRENT LIABILITIES | | | |
| TOTAL LIABILITIES | | 1,223,716 | 640,280 |
| NET ASSETS | | <u><u>65,217</u></u> | <u><u>13,017</u></u> |
| EQUITY | | | |
| Accumulated Surpluses/(Deficits) | 7 | <u>65,217</u> | <u>13,017</u> |
| TOTAL EQUITY | | <u><u>65,217</u></u> | <u><u>13,017</u></u> |

The accompanying notes form part of these financial statements

EFFECTIVE ALTRUISM AUSTRALIA LTD.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

| | Note | 2018 | 2017 |
|--|-------------|-------------------------|-----------------------|
| | | | \$ |
| Cashflows from Operating Activities | | | |
| Receipts from operations | | 1,815,283 | 1,159,614 |
| Interest received | | 2,669 | 1,700 |
| Payments to grant recipients and others | | (1,174,246) | (749,584) |
| Net cash provided from operating activities | 8b | <u>643,706</u> | <u>411,730</u> |
| Net cash provided by (used in) by financing activities | | - | - |
| Net cash provided by (used in) by investing activities | | - | - |
| Net increase (decrease) in cash held | | <u>643,706</u> | <u>411,730</u> |
| Cash at the beginning of year | | 645,227 | 233,497 |
| Cash at the end of year | 8a | <u><u>1,288,933</u></u> | <u><u>645,227</u></u> |

The accompanying notes form part of these financial statements

EFFECTIVE ALTRUISM AUSTRALIA LTD.

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

| | | Retained Earnings \$ | Total \$ |
|--------------------------------|---|----------------------------|---------------|
| Balance at 30 June 2016 | 7 | <u>1,989</u> | <u>1,989</u> |
| Profit/(loss) for the year | | 11,028 | 11,028 |
| Balance at 30 June 2017 | 7 | <u>13,017</u> | <u>13,017</u> |
| Profit/(loss) for the year | | 52,200 | 52,200 |
| Balance at 30 June 2018 | 7 | <u>65,217</u> | <u>65,217</u> |

The accompanying notes form part of these financial statements

EFFECTIVE ALTRUISM AUSTRALIA LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Effective Altruism Australia Ltd as an individual entity. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Effective Altruism Australia is a company incorporated with the Australian Securities & Investments Commission (ASIC) and the Australian Charities and Not-For-Profits Commission (ACNC).

Basis of Preparation

The financial report is prepared on an accruals basis in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Tax

The company is endorsed as an income tax exempt charity, therefore there is no liability to pay income tax on any profits of the company.

Effective Altruism Australia is not registered for Goods and Services Tax.

b) Revenue

Revenue is recognised upon receipt.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

**EFFECTIVE ALTRUISM AUSTRALIA LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

| | | | |
|--|------------------------------------|----------------------|----------------------|
| Note 2 | Revenue and other income | 2018 | 2017 |
| | | \$ | \$ |
| | Operating Activities | | |
| | Donations Received - Restricted | 1,749,555 | 1,143,930 |
| | Donations Received - Unrestricted | 57,658 | 19,448 |
| | Other operating revenue | - | 4,306 |
| | | <u>1,807,213</u> | <u>1,167,684</u> |
| | Non-operating Activities | | |
| | Interest received | 2,669 | 1,700 |
| | | <u>2,669</u> | <u>1,700</u> |
| | Total Revenue | <u>1,809,882</u> | <u>1,169,384</u> |
| Note 3 | Expenses | | |
| | a) Expenses | | |
| | Include: | | |
| | Program costs | 1,743,736 | 1,146,551 |
| | Remuneration of Auditor | | |
| | - Audit services | 1,000 | 1,000 |
| | - other services | 500 | 500 |
| | Total remuneration | <u>1,500</u> | <u>1,500</u> |
| Note 4 | Cash and Cash Equivalents | | |
| | Cash on Hand and at Bank | 1,273,838 | 645,227 |
| | Undeposited Funds | 15,095 | - |
| | | <u>1,288,933</u> | <u>645,227</u> |
| <p>The large cash balance as at the end of June 2018 is mainly due to a large amount of donations received towards the end of the financial year. These donations are then granted to our partner charities in the following financial year.</p> | | | |
| Note 5 | Trade and Other Receivables | | |
| | Debtors | - | 8,070 |
| | less Provision for Doubtful Debts | - | - |
| | | <u>-</u> | <u>8,070</u> |
| Note 6 | Trade and Other Payables | | |
| | Accounts Payable | 1,218,682 | 638,630 |
| | Accruals | 3,150 | 1,650 |
| | Wages payable | 1,884 | - |
| | | <u>1,223,716</u> | <u>640,280</u> |

**EFFECTIVE ALTRUISM AUSTRALIA LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 7 Equity

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Accumulated Surpluses/(Deficits) | | |
| Balance at beginning of the reporting period | 13,017 | 1,989 |
| Net Result for the Year | <u>52,200</u> | <u>11,028</u> |
| Balance at the end of the reporting period | <u><u>65,217</u></u> | <u><u>13,017</u></u> |
| Total Equity at end of financial year | <u><u>65,217</u></u> | <u><u>13,017</u></u> |

Note 8 Cash Flow Information

a) Reconciliation of Cash

| | | |
|--------------------------|------------------|----------------|
| Cash on hand and at bank | 1,288,933 | 645,227 |
| Cash on deposit | - | - |
| | <u>1,288,933</u> | <u>645,227</u> |

b) Reconciliation of net cash provided by operating activities to profit from ordinary activities.

| | | |
|---|----------------|----------------|
| Profit from ordinary activities | 52,200 | 11,028 |
| Changes in assets and liabilities: | | |
| Decrease/(Increase) in receivables | 8,070 | (8,070) |
| Increase/(Decrease) in accounts payable | 583,436 | 409,805 |
| Increase/(Decrease) in accruals | - | (1,033) |
| Net cash provided by operating activities | <u>643,706</u> | <u>411,730</u> |

c) The company has no credit stand-by facilities in place.

d) There were no non-cash financing or investing activities during the period.

Note 9 Events Subsequent to Reporting Date

Since 30 June 2018 no events have occurred which would affect the financial position as at 30 June 2018 or any other matters disclosed in these financial statements.

Note 10 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets known to the company.

Note 11 Related Parties

Donation income totalling \$10,108 was received from associates of multiple directors during the period ended 30 June 2018. The donations were made and received on terms equivalent to those applying to third party transactions.

Note 12 Segment Reporting

The company operates mainly in one business, being the business of fundraising and making grants with the purpose of most effectively alleviating poverty, distress and suffering.

Note 13 Company Details

The principal place of business of the company is:
Effective Altruism Australia Limited
Level 7, 41 Exhibition Street
MELBOURNE VIC 3000

EFFECTIVE ALTRUISM AUSTRALIA LTD.

STATEMENT BY DIRECTORS

In the opinion of the board the financial report:

- 1 Presents a true and fair view of the financial position of Effective Altruism Australia Ltd as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- 2 At the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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



Name: Ben Toner
Director



Name: Lina Calabria
Director

Dated this 12th day of November 2018

INDEPENDENT AUDIT REPORT TO THE DIRECTORS OF EFFECTIVE ALTRUISM AUSTRALIA LTD

Opinion

We have audited the financial report of Effective Altruism Australia Ltd which comprises the balance sheet as at 30 June 2018, the statement comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by directors.

In our opinion, the accompanying financial report of the company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's financial report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes 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 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 included in Appendix A of this auditor's report. This description, which is located directly after the audit report, forms part of our auditor's report.

Ryecrofts Pty Ltd

A handwritten signature in black ink, appearing to read 'TVail', with a horizontal line underneath.

Terrence Vail CPA

Director
Registered Company Auditor - 305706

Dated: 13th day of November 2018

Appendix A: Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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