



Payton Foundation Limited
ABN 18 154 771 801

Annual report for the financial year ended 30 June 2023



FOUNDATION. CHANGING LIVES.

Payton Foundation Limited

Index to the financial report

Index to the financial report

Contents

Page

Annual financial statements

Statement of profit or loss and statement of other comprehensive income

1

Statement of financial position

2

Statement of changes in equity

3

Statement of cash flows

4

Notes to the financial statements

5-14

Directors' declaration

15

Auditor's independence declaration

16

Independent auditor's review report

17-18

Payton Foundation Limited

ABN 18 154 771 801

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
Revenue		774,808	683,923
Donations		(327,039)	(396,807)
Operating and Administration expenses	2	(542,673)	(302,280)
Advertising and promotion expenses		-	-
Current year surplus before income tax		(94,904)	(15,164)
Income tax refundable – franking credits		243,060	223,466
Net current year surplus		148,156	208,302
Net current year surplus attributable to members of the entity		148,156	208,302

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		\$	\$
Net current year surplus		148,156	208,302
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Fair value gains/(losses) on available-for-sale assets, net of tax	7(a)	442,806	1,911,172
Total other comprehensive income for the year		442,806	1,911,172
Total comprehensive income for the year		590,962	2,119,474
Total comprehensive income attributable to members of the entity		590,962	2,119,474

The accompanying notes form part of these financial statements.

Payton Foundation Limited**ABN 18 154 771 801****STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	2023	2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	71,930	122,457
Accounts receivable and other debtors	4	244,653	230,339
Other current assets	5	174,817	283,961
TOTAL CURRENT ASSETS		491,400	636,757
NON-CURRENT ASSETS			
Property, plant and equipment	6	868,966	263,914
Financial assets	7	2,358,979	1,916,173
Other non-current assets	8	1,750	1,750
TOTAL NON-CURRENT ASSETS		3,229,695	2,181,837
TOTAL ASSETS		3,721,095	2,818,594
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	9	6,560	1,306
PAYG Payable	10	20,303	17,459
TOTAL CURRENT LIABILITIES		26,863	18,765
NON-CURRENT LIABILITIES			
Bank loan	11	303,441	-
TOTAL NON-CURRENT LIABILITIES		303,441	-
TOTAL LIABILITIES		330,304	18,765
NET ASSETS		3,390,791	2,799,829
EQUITY			
Retained surplus		3,390,791	2,799,829
TOTAL EQUITY		3,390,791	2,799,829

The accompanying notes form part of these financial statements.

Payton Foundation Limited

ABN 18 154 771 801

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Retained Surplus
	\$
Balance at 1 July 2021	680,355
Comprehensive income	
Surplus for the year attributable to members of the entity	208,302
Other comprehensive income for the year	1,911,172
Total comprehensive income attributable to members of the entity	<u>2,119,474</u>
Balance at 30 June 2022	<u>2,799,829</u>
Comprehensive income	
Surplus for the year attributable to members of the entity	148,156
Other comprehensive income for the year	442,806
Total comprehensive income attributable to members of the entity	<u>590,962</u>
Balance at 30 June 2023	<u><u>3,390,791</u></u>

The accompanying notes form part of these financial statements.

Payton Foundation Limited**ABN 18 154 771 801****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from distributions and grants		58,624	35,250
Payments to charity partners - donations		(327,039)	(396,808)
Payments to employees and suppliers		(429,215)	(293,960)
Loans (to)/repayments from charity partners		-	(30,000)
Interest and dividend income received		945,370	777,661
Net cash (used in)/generated from operating activities	12	<u>247,740</u>	<u>92,143</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investments		(710,852)	(235,569)
Redemption of/(transfers to) investments		109,144	(2,000)
Net cash used in investing activities		<u>(601,708)</u>	<u>(237,569)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		455,777	-
Repayments		(152,336)	-
Net cash used in financing activities		<u>303,441</u>	-
Net (decrease)/increase in cash held		(50,527)	(145,426)
Cash on hand at the beginning of the financial year		<u>122,457</u>	<u>267,883</u>
Cash on hand at the end of the financial year	3	<u><u>71,930</u></u>	<u><u>122,457</u></u>

The accompanying notes form part of these financial statements.

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The financial statements cover Payton Foundation Limited as an individual entity, incorporated and domiciled in Australia. Payton Foundation Limited is a company limited by guarantee. The financial statements were authorised for issue by the directors of the company on the 24th November 2023.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

Basis of Preparation

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

b. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c. **Financial Instruments**

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Entity makes an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the Entity elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Entity uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the Entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

d. **Impairment of Assets**

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

e. **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, and bank overdrafts.

f. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from donors and any outstanding loan and grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

g. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

h. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

i. **Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

j. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

k. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) *Impairment*

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(ii) *Plant and equipment*

As indicated in Note 1(c), the company reviews the useful life of plant and equipment on an annual basis.

(iii) *Available-for-sale investments*

The entity holds an unlisted investment in iCrypto Index Fund Pty Ltd, valuation at the end of the reporting period has been estimated, by directors, based on the underlying crypto-currency investment market at that time.

l. **Economic Dependence**

Payton Foundation Limited is dependent on the distributable profits of Payton Capital for the majority of its revenue used to operate the entity. At the date of this report the Board of Directors has no reason to believe Payton Capital will not continue to generate distributable profits.

m. **New Accounting Standards for Application in Future Periods**

The directors have assessed all new and amended accounting standards issued and effective for financial reporting periods beginning on or after 1 January 2019, and determine there to be no effect on the current year financial statements.

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 2: NET CURRENT YEAR SURPLUS

	2023	2022
	\$	\$
Revenue		
Dividend income – Payton Capital Ltd	695,212	639,301
Donations and distributions received	44,000	35,250
Centrelink – Parental leave payments	14,624	-
Rental income – transitional housing	7,765	-
Interest received	13,207	9,373
Total revenue	<u>774,808</u>	<u>683,923</u>
Donations		
ERCN Sibling Education Program - Kenya	160,470	114,061
St.Stephen's school - Kenya	56,084	-
Children's Fortress – Kenya	-	2,608
Te-Kworo Foundation – Uganda	23,434	8,584
Ruel Foundation – Philippines	41,280	25,757
Mongolia Care	10,000	36,894
Transitional housing – Carrum Downs	23,272	-
Other Australian charities	12,499	208,903
Total donations to charities	<u>327,039</u>	<u>396,807</u>
Expenses		
Employee benefits expenses	331,075	267,722
Management fees	23,705	13,650
Audit fees	3,000	2,500
Fundraising and donor engagement	21,831	2,985
Travel costs	38,951	8,799
Legal fees	3,850	-
Insurances	2,549	2,270
Software subscriptions	9,436	2,457
Office costs	1,307	252
Bank charges	1,170	1,645
Planning costs written off	105,799	-
Total expenses	<u>542,673</u>	<u>302,280</u>

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank – unrestricted – Australia	68,008	118,658
Cash at bank – unrestricted – Kenya	3,922	3,799
	<u>71,930</u>	<u>122,457</u>

NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2023	2022
	\$	\$
CURRENT		
Franking Credits receivable	243,060	223,466
GST Refundable	1,593	1,154
Donation portal receivables	-	5,719
Total current accounts receivable and other debtors	<u>244,653</u>	<u>230,339</u>

NOTE 5: OTHER CURRENT ASSETS

	2023	2022
	\$	\$
Investment in Payton Pooled Investment Fund	100,682	209,826
Loans to charity partners – Mama Obed	74,135	74,135
Total other current assets	<u>174,817</u>	<u>283,961</u>

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Property – Freehold land in Moe	210,875	263,913
Property – Transitional housing in Carrum Downs	658,091	-
Net carrying amount	<u>868,966</u>	<u>263,913</u>

Movements:

Opening balance – Freehold land in Moe	263,915	-
Purchase and planning costs incurred	52,759	263,913
Planning costs written off	(105,799)	-
Closing balance – Freehold land in Moe	<u>210,875</u>	<u>263,913</u>

Opening balance – Transitional housing in Carrum Downs	-	-
Purchase of house and land in Carrum Downs	650,511	-
Furniture	7,580	-
Closing balance – Transitional housing in Carrum Downs	<u>658,091</u>	<u>-</u>

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7: FINANCIAL ASSETS

	2023	2022
	\$	\$
NON-CURRENT		
Shares in Payton Capital Limited	2,339,563	1,903,181
Investment in iCrypto Index Fund Pty Ltd	19,416	12,992
	<u>2,358,979</u>	<u>1,916,173</u>

a. Available-for-sale financial assets

Investment in iCrypto Index Fund Pty Ltd at fair value:

Balance at the start of the year	1,916,173	5,001
Fair value remeasurement gains/(losses) – Payton Capital Ltd	436,382	1,903,180
Fair value remeasurement gains/(losses) – iCrypto Index Fund P/L	6,424	7,992
Balance at the end of the year	<u>2,358,979</u>	<u>1,916,173</u>

The investment value in iCrypto Index Fund Pty Ltd has been estimated, by directors, based on the underlying crypto-currency investment market at the end of the reporting period.

NOTE 8: OTHER NON-CURRENT ASSETS

	2023	2022
	\$	\$
NON-CURRENT		
Set-up costs	1,750	1,750
	<u>1,750</u>	<u>1,750</u>

NOTE 9: ACCOUNTS PAYABLE AND OTHER PAYABLES

	2023	2022
	\$	\$
CURRENT		
Accounts payable	4,024	1,306
Superannuation payable	2,536	-
	<u>6,560</u>	<u>1,306</u>

NOTE 10: OTHER LIABILITIES

	2023	2022
	\$	\$
PAYG payable	<u>20,303</u>	<u>17,459</u>

Payton Foundation Limited

ABN 18 154 771 801

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11: NON-CURRENT LIABILITIES

	2023	2022
	\$	\$
Bank loan – Mortgage on Transitional housing in Carrum Downs	303,441	-

NOTE 12: CASH FLOW INFORMATION

	2023	2022
	\$	\$
Reconciliation of cash flows from operating activities with net current year surplus		
Net current year surplus	148,156	208,302
Plus planning costs written off	105,799	-
Adjusted for:		
Movements in working capital:		
– (increase)/decrease in accounts receivable and other debtors	(13,876)	(99,121)
– (increase)/decrease in loans to charities	-	(30,000)
– (decrease)/increase in accounts payable and other payables	7,661	12,962
	<u>247,740</u>	<u>92,143</u>

NOTE 13: ENTITY DETAILS

The registered office of the company is:

Suite 2, Level 27,260 City Road
Southbank, VIC 3006
Australia

The principal place of business is:

Suite 2, Level 27,260 City Road
Southbank, VIC 3006
Australia

NOTE 14: MEMBERS' GUARANTEE

The registered entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the entity. At 30 June 2023, the number of members was 4.

Payton Foundation Limited

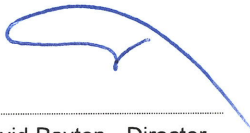
ABN 18 154 771 801

DIRECTORS' DECLARATION

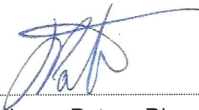
The directors of the registered entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 1 to 15, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position of the registered entity as at 30 June 2023 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Mr David Payton - Director



Mr Jason Pater - Director

Date: 18 January 2024

Auditor's Independence Declaration under S60-40 of the Australian Charities and Not-For-Profits Commission Act 2012
To the Directors of the Trustee of Payton Foundation Limited

In relation to our audit of the financial report of Payton Foundation Limited for the financial year ended 30 June 2023 I declare to the best of my knowledge and belief, there have been no contraventions of;

1. the auditor independence requirements of Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the review; and
2. any applicable code of professional conduct in relation to that review

A handwritten signature in black ink, appearing to read 'J. Anderson', with a long horizontal flourish underneath.

John Vincent Anderson
Anderson & Associates
18th January 2024
Suite 102, 17 Heatherdale Road
RINGWOOD, VIC 3134

Independent auditor's report to the members of Payton Foundation Limited

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Payton Foundation Limited, which comprises the Statement of Financial Position as at 30 June 2023, Statement of Profit or Loss, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

In our opinion, the financial report of Payton Foundation Limited. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including;

- a. Giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

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 registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors' 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 registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the entity or 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 registered 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 registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



John Vincent Anderson
Anderson & Associates
29th January 2024
Suite 102, 17 Heatherdale Road
RINGWOOD, VIC 3134