



Annual Report

23

Unlocking social impact.

Table of Contents

Chair foreword	1
A message from Management	2
Innovation and Learning Programs	3
The PRF Social Enterprise Growth Incubator	3
Enterprise spotlight • Free 2 Feed	15
Audited Financial Statements	17
Directors Report	17
Auditor's Independence Declaration	21
Statement of Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Statement of Changes in Cash Flow	25
Notes to the financial statements	26
Summary of Significant Accounting Policies	26
Director's Declaration	28
Independent auditor's review report to the members of Sefa	29
Parterships Limited	



Chair foreword



Sefa Partnerships and Sefa collectively celebrate their 20th anniversary this year. While gaining wisdom over the years, we've retained every bit of the pioneering spirit and lateral thinking that propels us forward annually.

We founded Sefa Partnerships in 2015, aiming to provide capability and capital that complement existing market offerings. Our focus is on mitigating structural disadvantage by partnering with other capital sources and encouraging bold thinking.

Over the past year, we've strengthened Sefa Partnerships' unique identity at a governance level with two new Board members. They help drive our updated strategic goals while preserving our collaborative ties with Sefa under a unified Impact Narrative. Emily Fuller, Social Impact Manager at Future Generation, enhances our Investment Committee with her deep expertise in philanthropy and blended capital. Louise Baker, from Westpac Financial Institutions team, brings valuable product development and human-centred design skills. We would like to thank Jay Bonnington for her valuable contribution to Sefa Partnerships for the last 3 years.

We recently completed a co-design project with the Paul Ramsay Foundation on their inaugural national Social Enterprise Growth Incubator. This initiative aids eight enterprises across Australia in scaling their positive social impact. Through a 10-month program, we offer them tailored learning modules, coaching, and networking opportunities in the for-purpose sector, filling a significant market gap.

Our innovative thinking and close relationship with Sefa enable us to pave meaningful routes for ambitious impact organisations. Consistently, we adhere to Sefa Partnerships' founding goals: addressing structural disadvantage through purposeful, entrepreneurial collaboration.

This past year saw us transition from select programs to a more strategic focus rooted in two main pillars: lead-

ing blended capital initiatives and nurturing emerging social enterprises through innovation and learning programs. We're committed to continued innovation, approaching all key work areas with intention, both intellectually and emotionally. We're grateful for our partners and stakeholders who remain committed to this journey.

David Rickards

Chair, Sefa Partnerships
Non-executive Director, Sefa

A message from Management



Reflecting on the past year at Sefa Partnerships, we've made significant strides. Much like the strategic reset we undertook together with Sefa in late 2019, this year has seen us strengthen our organisational foundations and streamline our services. This sets us up to advance our mission of tackling structural disadvantage through entrepreneurial partnerships, aiming for deeper, broader social impact.

Firstly, closer managerial alignment with Sefa has enabled us to utilise team resources more effectively across both organisations. By unifying our offerings into Innovation & Learning programs, and Blended Capital, we're filling critical market gaps and providing a better springboard for emerging social entrepreneurs.

Our experience with the inaugural cohort of the Paul Ramsay Foundation Social Enterprise Growth Incubator has been invaluable. It's refined our understanding of the support needed to foster purpose-driven business models. You'll find first-hand accounts and case studies of this work, including a focus on Free to Feed, in the following pages. We're using these insights to inform the next phase: an Ideation incubator design targeting Australia's urgent social issues.

Blended Capital is intrinsic to our work. Now, with a focus on finance mechanisms that catalyse additional capital contributions, we're planning our direct work with renewed intention. The demand from purpose-driven enterprises for timely, suitable capital solutions has never been higher. Leveraging our track record — having worked with over 170 organisations and unlocked more than \$1.7 million in philanthropic capital—we aim to redefine the landscape of blended capital. This involves collaborating with foundations, Sefa, and other impact investors to establish sustainable funding pathways for earlier-stage enterprises.

Our foundations are solid. As Sefa Partnerships approaches its 10-year anniversary, we're poised for continued success. I'm excited about the milestones we'll achieve together in the coming year.

Hanna Ebeling

Sefa Partnerships Management

Innovation and Learning Programs

“We want to invest in and enhance the capability and capacity of social enterprises that share our commitment to addressing the underlying social and economic causes of disadvantage, as well as pursuing collaborative, community-led solutions.”

- Abhilash Mudaliar, Chief Impact Officer at Paul Ramsay Foundation





...US ON GADIGAL LAND, WE ACKNOWLEDGE THE TRADITIONAL...
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The Paul Ramsay Foundation Social Enterprise Growth Incubator

Boosting independent enterprises, ready to embrace the future

The Paul Ramsay Foundation (PRF) wants to help social enterprises working to break cycles of disadvantage in Australia grow. So in FY2023 the foundation entrusted Sefa to deliver its first incubator program, the PRF Social Enterprise Growth Incubator.

We researched and designed the 10-month program and worked with PRF and social enterprise consultants Social Scaffolding and The Difference Incubator to deliver the program and help eight social enterprises past the start-up stage, reach sustainable operations. These organisations all had a track record of impact, but needed support to grow and create greater impact.

The importance of growth incubators

Social enterprises make an enormous contribution to the economy and the communities they operate in. They bring fresh perspectives and new ideas and have incredible potential to create meaningful change in our society.

But they face many challenges – from not having the time and resources to invest in strategy and leaders to struggling to find the right partners, funders and mentors who truly understand their challenges.

So when funders such as PRF invest in building these organisations' capability and overall resilience as part of their growth journey, they are set up to succeed. This is the aim of the PRF incubator. By having more time, support, expertise and a strong network, social enterprises can create

a sustainable core business that allows them to jump on growth opportunities – and extend their impact significantly.

“Recent research by Social Enterprise Australia tells us there are 12,000 social enterprises in Australia that already contribute \$21.3 billion to the economy and employ more than 200,000 people. These are organisations with innovative ideas about how to overcome today’s most pressing challenges. The key is supporting their visions to become sustainable, long-term solutions.”

- Abhilash Mudaliar, Chief Impact Officer at Paul Ramsay Foundation



The first PRF Incubator cohort

Each of the eight social enterprises works to break cycles of disadvantage across Australia in some way – from creating employment opportunities to strengthening children’s resilience to advocating for social justice & safety.

The group included:

- Ability Enterprises (Queensland)
- Blend Creative (South Australia)
- Free to Feed (Victoria)
- Fruit2Work (Victoria)
- Hamlet (Tasmania)
- Hotel Etico (NSW)
- Social Science Translated (Queensland/online)
- Welcome to Country (NSW/online)

Over 10 months starting in February 2023, these organisations participated in customised learning sprints, received one-to-one mentorship from two consistent coaches in addition to industry-specific subject matter experts and developed a close network of fellow participants and the wider for-purpose sector.



“The for-purpose sector demand for investment is increasing, especially the accelerating social enterprises that Social Scaffolding works with. Sefa continues to be the social impact investment enabler that we partner with.”

- Social Scaffolding

“The Sefa team’s commitment and preparedness to really understand our business and work was incredible. It was seamlessly delivered. The commitment from our coaches to see us succeed is amazing.”

- Blend Creative

sefa

Demystifying debt

SOCIAL



Demystifying debt

FINANCE TEAM

Growth Incubator - 2 August 2023

“The Sefa coaches have been unbelievable. They push us to make decisions and reach an outcome. Having that external influence has certainly made an impact.”

- Fruit to Work

“Every moment has been worth it.”

- Blend Creative

Developing best practice: focus on the value of time and team learning opportunities

As the incubator participants were well established, with immense skill and experience, we focused on harnessing leaders’ and organisations’ strengths.

By inviting four people from each organisation, rather than only the founders or CEOs, we ensured we didn’t create single-person dependencies or cause burnout amongst leaders. This allowed teams to approach challenges from multiple perspectives and deliver value to the whole organisation rather than just the people at the top. Committing to in-person, dedicated sprints also meant teams took a step back from the distraction of day-to-day operations and focused on strategic challenges in a safe and engaging environment.

We also customised the experience for each team, with plenty of time to build deep connections and trust with their matched coaches to work on stickier challenges. Some organisations faced stressful transformative experiences and were incredibly grateful for the support and respect of their coaches through their journey’s ups and downs.

For this first cohort, the biggest value came from having the time, space and expert support to prepare their organisations to grow.

This incubator program showcased Sefa’s skills and expertise to support organisations at any stage – from earlier-stage enterprises to mature organisations looking to grow. And together with our delivery partners Social Scaffolding and The Difference Incubator, we can help even more social enterprises become sustainable – and create more impact.

We look forward to future opportunities to run and lead growth incubators like the PRF program and making a difference for social enterprises with high potential.



Incubator Outcomes

Top 3 benefits to enterprises

1. Clarity on strategic direction
2. Improved operations
3. Better financial health

Critical skills and capabilities reach next level

- Impact capability scores lifted overall
- Business model and financial skills rose ‘fair’ to ‘good’ or ‘very good’
- Governance and HR capabilities jumped from ‘fair’ to ‘good’
- Customer and market knowledge improved from ‘good’ to ‘very good’

Independent enterprises, ready to embrace the future

Enterprises are significantly clearer on what they need to do to grow their businesses, and are equipped with confidence to pursue their individual paths.



“I really enjoyed meeting likeminded people in the sector, learning about the support and resources out there to help us be sustainable and thrive – and reach as many children as we can. And meeting other CEOs and founders, sharing our challenges and building a bond to move forward together has been incredible.”

- *Social Science Translated*

“I’ve never experienced anything quite like this. The gift of one-on-one consulting time over multiple days throughout the year is incredible. What you get out of it is amazing. It’s absolutely worth the effort and time.”

- *Mat Rowell, Chair of the Board, Hamlet*

Reigniting the light: helping refugees and people seeking asylum heal through food

Social isolation and limited English skills prevented Badia from pursuing her dream: bringing Iraqi food to Australians. She had been living in Australia on a refugee visa since 2018, having escaped ISIS in Iraq.

Badia is one of 100 million people forcibly displaced around the world by political instability, climate change and rapid urbanisation. This number is predicted to reach 1 billion by 2050.

Behind the statistics lay countless stories of courage and resilience, but also tremendous grief and loss. Starting a new life in a new country can be challenging at the best of times. But the added weight of trauma makes this incredibly difficult.

After approaching Free to Feed and completing its 12-month cooking training program, Badia is now thriving. She works full time in the kitchen at one of North Melbourne's highly regarded cafes and speaks English with confidence. Badia has also made close friends and hopes to start her own business one day.

Free to Feed is a social enterprise working to help refugees and people seeking asylum in Australia live meaningful connected and productive lives through shared food experiences. Through trauma-informed leadership and cooking training, employment and psycho-social support, the organisation empowers refugees and people seeking asylum to overcome barriers to social and economic inclusion in Australia. The organisation also provides paid employment to refugees and asylum seekers through private and corporate cooking experiences, catering and events.

Finding solid ground

Free to Feed's model has proven time and time again to be successful.

Founded in 2015, the social enterprise was the first to provide refugee-run cooking experiences in Australia – Free to Feed's first revenue stream. In 2019, after professionalising its hospitality operations, the organisation entered the catering market. A year later, Free to Feed navigated the pandemic through a home meal delivery service, Brave Meals, and corporate workshops, which allowed the organisation to continue to grow. In 2021 it invested in a 500sqm event space, and the next year recorded an 80% increase in total enterprise revenue.

But Free to Feed's real success story lies in the impact it's created. Every participant who went through the program in 2022 feels they have increased not only their knowledge but also their connection to Melbourne. 80% of participants in this cohort have secured meaningful opportunities such as jobs or started studying after the program.

"We've embraced diverse representation across our entire organisation of lived experiences of seeking asylum, refuge and migration," says Free to

Feed co-founder, Daniel Bolotin. "From our program participants who have hailed from 38 unique cultures to our core team who currently have 26 unique ethnic identifications, I am proud of this diverse, beautiful ecosystem we call Free to Feed. Like a generously laid out feast of abundant variety, our participants and team come together daily in a melting pot of diverse flavours that, to me, represents multicultural Australia at its best." And for people like Badia, the organisation has ignited new hope.

"Free to Feed gave me the light in my heart and opportunities to believe I could get there, and I did. I will never forget what I learnt and what the opportunity gave me," Badia says.

On a growth journey

Over the past six years, Free to Feed has uplifted the lives of hundreds of refugees and asylum seekers in Australia. And it's not about to slow down now. The organisation aims to enrich the lives of 1,200 people over the next three years.

To further grow its impact, the social enterprise took part in the Paul Ramsey Foundation's (PRF) 2023 Social Enterprise Growth Incubator program. Developed to help the growth of social enterprises that break cycles of disadvantage in Australia, the 10-month program helped Free to Feed relaunch its partnership strategy and validate its participant journeys. Importantly, with the help of mentors, the social enterprise also built a financial model for the next 12 months – a tool that will guide the organisation's decision making and set its participants up for success.

"We've learned so much through the incubator. For example, we now know that to grow our delicious

smorgasbord of food experiences and events for the community – which in turn grows our impact – we need to invest in a highly experienced (and big-hearted) hospitality professional staff. This will help establish the systems and processes to set us up for growth and allow us to provide our participants with a professional standard working environment," Daniel shares.

He says Free to Feed is now looking for values-aligned businesses to join its exciting journey.

"Gone are the days when charities undertook all the social work, and businesses just made money. The reality is a delicious fusion these days, and there are so many scrumptious opportunities to partner with us – from team events and volunteering, to sponsoring our participants as they grow through our program. We invite any interested business to get in touch."

If you'd like to get involved, please contact Daniel Bolotin at: daniel@freeto.org



Directors' Report

SEFA Partnerships Limited (the "Company") is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is Level 1, 262 Liverpool Street, Darlinghurst, NSW, 2010.

The directors present their report together with the financial report of the company, for the 12 months to 30 June 2023.

The following persons were directors of Sefa Partnerships Limited during the financial year and up to the date of this report:

- David Rickards (appointed 1 March 2016)
- Belinda Drew (appointed 29 November 2019)
- Jay Bonnington (appointed 29 November 2019, resigned 30 December 2022)
- Scarlet Reid (appointed 18 July 2019)
- Louise Baker (appointed 29 November 22)
- Emily Fuller (appointed 28 March 2023)

Biographies of Directors

David Rickards

David was formerly the Head of Research and an Executive Director at Macquarie Bank. After he retired in 2012 he co-founded Sefa. David founded Sefa Partnerships in 2016. Before joining Macquarie Bank he was responsible for establishing the risk management company, BARRA International, in Australia. David was the Director and Treasurer of Bush Heritage Australia for nine years.

David is currently a Director of the Australian Environmental Grant Makers Network, a Director of Social Enterprise Finance Australia Ltd and is the Chair of the Sefa Partnerships Board

Belinda Drew

Belinda has over 20 years' experience in the community services industry having worked across disability, homelessness, child protection and housing. During the most recent decade of her career, Belinda was focused on building the social investment market in Australia in her role as the CEO of Foresters Community Finance. In 2014, Belinda joined the Community Services Industry Alliance as inaugural CEO of a company focused on representing the value of the community services industry to government and the business sectors. Most recently Belinda has been appointed Deputy Director- General, Communities for the QLD government. Belinda has a passion for the community services industry and contributing to the task of building a strong, sustainable and contemporary sector across Australia.

Belinda is also Director of Social Enterprise Finance Australia Ltd.

Jay Bonnington

Jay has over 20 years' experience as a non-executive director on public and private companies, as well as government and advisory boards. Jay has experience in a range of sectors including construction, engineering, energy, manufacturing, utilities, financial services, superannuation and health. She also has experience as a CEO and senior executive in international organisations. From a chartered accounting background, with over thirty years' experience in various sectors, she has deep operational corporate finance experience.

Scarlet Reid

Scarlet is a highly experienced workplace and regulatory lawyer and is a Partner in the Sydney office of Ashurst. As a former prosecutor with SafeWork NSW, Scarlett is an accomplished litigator and conducts employment, regulatory, corporate and criminal law related litigation matters in various courts and tribunals throughout Australia. Scarlet is the Australian Founder and Australian Chapter Leader of the Womens' White Collar Defense Association, which is a global organisation that promotes the common business and professional interests of women lawyers who specialise in white collar crime.

Louise Baker

Louise Baker combines deep finance expertise with a passion for creating positive change. As a director in the relationship coverage team at Westpac Institutional Bank, she holds over 20 years of experience in global debt markets across Australia, Asia, Europe, and the US. Louise's contributions to the ESG/impact sector include volunteer work at the Public Interest Advocacy Centre and the Environmental Defenders Office, and leadership roles in committees for Women in Banking and Finance and the CFA Societies Sydney and Australia.

An alumnus of Stanford's Graduate School of Business and a CFA Charterholder, Louise prides herself on the new perspectives and innovative problem-solving approaches she developed during her immersive business degree.

Emily Fuller

Emily's experience in the private and not-for-profit sectors spans strategy, communications, research, international development and philanthropy. She has deep expertise in strategic philanthropy, social innovation and in cross-sector collaborations aiming to disrupt persistent social issues and shine a light on structural improvements.

Emily is the Social Impact Manager at Future Generation, the first Australian listed investment companies to deliver investment and social returns, and was previously the Foundation Manager of the Vincent Fairfax Family Foundation. She is a Director of Mundango Abroad, a private ancillary fund grantmaking in Papua New Guinea and a graduate of the Australian Institute of Company Directors.

Meetings of Directors

The number of meetings of the Company's board of directors held during the financial year ended 30 June 2023 was four, and the number of meetings attended by each director was:

	Meetings Eligible to attend	Meetings Attended
David Rickards	4	4
Belinda Drew	4	4
Scarlet Reid	4	3
Jay Bonnington	2	2
Louise Baker	3	3
Emily Fuller	2	2

Principal Activities

The principal activities of the company during the year ending 30 June 2023 financial year was centered around the activity of direct capacity building of social enterprises, and the development of strategic partnerships to assist purpose driven organisations access catalytic philanthropic capital for sustainable impact. Sefa Partnerships was also able to develop new learning programs that targeted organisations in remote and rural regions, in line with its PBI objectives of supporting and delivering direct impact to critical cohorts and in underserved areas across Australia. Sefa Partnerships also worked in collaboration with Sefa to provide advisory services to a number of purpose driven clients as well as research. This work was directly able to tap into Sefa Partnerships' in-house capability and knowledge building skills.

Review of operations

Sefa Partnerships Ltd are currently delivering The Paul Ramsay Foundation's (PRF) Social Enterprise Growth Incubator. Eight social enterprises helping break cycles of disadvantage across Australia are being supported to accelerate their growth and impact through our new intensive program.

During the 10-month Incubator program, the organisations will be supported to strengthen their operations and impact with access to customised learning sprints, expert coaches, a dedicated incubator manager and opportunities to connect with fellow participants and the wider for-purpose sector. These eight social enterprises, all beyond the start-up stage, are working across Australia to break cycles of disadvantage in different ways, from creating employment opportunities for people facing barriers to work, to providing a unique education program that strengthens children's emotional and social skills and resilience. This program is being delivered with the support of crucial partners including Sefa, The Leadership Institute and Social Scaffolding.

Sefa Partnerships, in collaboration with Dynamic4, ran a successful Future Skills Now program for corporate clients, pairing them with for purpose organisations to collaboratively tackle real-time challenges. Sefa Partnerships has expanded its two-pronged approach to developing capability in the professional sector while leveraging that support for purpose driven organization, co-delivering a second program in Asia.

Sefa Partnerships continued its capacity building with regional community organisations based in Leeton and Nowra. This involved working with the leadership teams of these organisations and actively working through live issues that they are facing, as well as developing skills to improve their longer-term sustainability. Sefa Partnerships also provided support to Sefa, delivering a capacity building engagements under the NSW Social Sector Transformation Fund program. Together they were able to develop solutions for a number of clients focusing on: impact measurement, skills building for team performance, funding pathways and exploration of the challenges faced by single older women seeking affordable housing.

Across the year, Sefa Partnerships was able to develop or extend a number of collaborations with organisations on projects with the aim of increasing resourcing to the impact sector as a whole and its ongoing sustainability, through enabling access to catalytic philanthropic funds. Notably among these Sefa Partnerships supported:

- SECNA, through extending existing collaborations to develop and advocate for the impact enterprise sector,
- StartSomeGood to assist in boosting the capacity of social enterprises to raise ongoing development capital via grants and via debt, as well as take part in capability building programs,
- PS Media to assist building a local news based digital media platform to serve communities where there are information deficits, particularly for marginalised sections of society.
- QSEC to boost the engagement and build an enabling environment for social enterprise development at a localized and place base level across QLD.

State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the year under review not otherwise disclosed in this report.

Significant Events After Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, any other transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

Insurance and Indemnity of Directors and Officers

During the financial year, the officers of the Company, including the directors as named earlier in this report, general managers, company secretaries and other executive officers were covered by insurance obtained by Sefa Partnerships Limited. This insurance indemnifies Directors and Officers against allegations of wrongdoing (other than intentional wrongdoing).

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

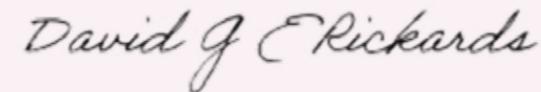
The Company has entered into an agreement to indemnify Ernst and Young, the auditor of the Group and its staff, against any liability (including legal costs) that Ernst and Young or its staff may incur in connection with any claim by a third party arising from the Group's breach of the terms and conditions of their engagement letter. No insurance premiums are paid out of the Group's assets in relation to insurance cover for the auditors of the Group.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001: The Lead Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 8.

This report has been made in accordance with a resolution of the Directors.

Dated at Sydney, 8 November 2023

For and on behalf of the Board of Directors.



David Rickards
Chair of the Board



Building a better
working world

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Auditor's Independence Declaration to the Directors of SEFA Partnerships Limited

In relation to our review of the financial report of SEFA Partnerships Limited for the year ended 30 June 2023, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Kester Brown
Partner

Melbourne
8 November 2023

Statement of Comprehensive Income

For the year ended 30 June 2023

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Donation	1,039,877	435,400
Interest income	16,102	-
Professional services	109,050	346,543
Total operating income	1,165,029	781,943
Auditing	750	1,350
Employee-related expenses	238,736	73,662
Sefa Ltd – Service fees	25,750	118,521
Sefa Partnerships project fees	292,161	457,941
Subcontractor expenses	463,121	109,195
Travel expenses	106,756	72
Other expenses	20,346	5,094
Total operating expenses	1,147,620	765,836
Surplus for the year	17,409	16,107

Statement of Financial Position

As at 30 June 2023

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
ASSETS		
Current Assets		
Cash and cash equivalents	1,223,181	618,332
Accounts receivable	-	2,585
Accrued bank interest	4,344	-
Accrued income	-	4,200
GST receivable	58,174	4,440
Total Current Assets	1,285,699	629,557
TOTAL ASSETS	1,285,699	629,557
LIABILITIES		
Current Liabilities		
Accounts payable	235,554	2,584
Accrued expenses	880	2,125
Donation prepayment	627,494	143,501
Income in advance	5,500	68,000
Provisions for leave	188	14,673
Total Current Liabilities	869,616	230,884
TOTAL LIABILITIES	869,616	230,883
NET ASSETS	416,083	389,674
EQUITY		
Current year surplus	17,409	16,107
Retained earnings	398,674	382,567
TOTAL EQUITY	416,083	398,674

Statement of Changes in Equity

For the year ended 30 June 2023

	Total Retained Earnings \$
As at 1 July 2021	382,567
Surplus for year ended 30 June 2022	16,107
As at 30 June 2022	398,674
Surplus for the year ended 30 June 2023	17,409
As at 30 June 2023	416,083

Statement of Cash flows

For the year ended 30 June 2023

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	82,271	345,520
Receipts from grants	1,521,870	619,200
Payments to suppliers, employees and collaborations	(1,011,051)	(910,586)
Net Cash Flows from Operating Activities	593,090	54,134
Cash flows from investing Activities		
Other cash items from investing activities	11,759	0
Net Cash Flows from Investing Activities	11,759	0
Financing Activities		
Other cash items from financing activities	0	0
Net Cash Flows from Financing Activities	0	0
Net Cash Flows	604,849	54,134
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	618,332	564,198
Net change in cash for period	604,849	54,134
Cash and cash equivalents at end of year	1,223,181	618,332

Notes to the financial statements

Summary of Significant Accounting Policies

(a) Basis of preparation

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 reports.

This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members and the reporting requirements of the Australian Charities and Not for Profit Commission Act 2012. The financial report has been prepared in accordance with 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 the previous period unless stated otherwise.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Authorisation of financial statements

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Board on 25 October 2023.

(b) Income Tax

The Company as a Public Benevolent Institution has an Income Tax Exemption, GST concession and FBT exemption dated from March 9, 2016.

(c) Revenue recognition

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest income is recognised using the effective interest method, with interest accrued over the relevant period using the effective interest rate, which is the rate that exactly discounts the estimated future cash flows over the expected life of the financial asset to the net carrying amount of the financial asset. Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognized only to the extent that related expenditure is recoverable.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

For statements of cash flows presentation purposes, cash and cash equivalents consists of the cash and cash equivalent as defined above.

(e) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid and are stated at cost. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(f) Related party transactions

It is noted that Social Enterprise Finance Australia Ltd (SEFA) is a related party to SEFA Partnerships Ltd. SEFA Partnerships incurred expenses, referred to as 'service fees' and these relate to the proportion of rent, administrative expenses and staff costs which have been objectively assessed by the directors on an arm's length basis and directly relate to the activities of SEFA Partnerships Ltd. in the pursuit of its objects. Appropriate oversight and governance of this expenditure is in place.

(g) Employee benefits

Employee benefits are recognised in accordance with AASB 119 Employee Benefits

i) Annual leave and sick leave

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.

Annual leave is not expected to be settled wholly before twelve 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 in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

ii) Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax and workers' compensation insurance.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(i) Subsequent events

There have been no material post balance sheet events which would require disclosure or adjustment to the 30 June 2023 Financial statements.

Directors' Declaration

The directors have determined that Sefa Partnerships Limited is not a reporting entity and that these special purpose financial statements should be prepared in order to meet the needs of members and the reporting requirements of the Australian Charities and Not for Profit Commission Act 2012. The financial report has been prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

- a) the financial statements and notes, as set out herein present fairly the company's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
- b) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Sydney, 8 November 2023

Signed in accordance with a resolution of the directors.

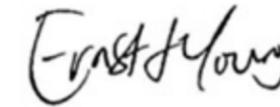


David E Rickards
Chair of the Board

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of SEFA Partnerships Limited is not in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and *Australian Charities and Not-for-Profits Commission Act 2012*.



Ernst & Young



Kester Brown
Partner

Melbourne
8 November 2023

Independent auditor's review report to the members of SEFA Partnerships Limited

Report on the financial report

We have reviewed the accompanying financial report of SEFA Partnerships Limited, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Charities and Not-for-Profits Commission Act 2012*, including complying with the Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report – Company Limited by Guarantee*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* including: giving a true and fair view of the company's financial position as at 30 June 2023 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and *Corporations Regulations 2001*. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

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

Independence

In conducting our review we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.



sefapartnerships.org.au

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