

The logo for Philanthropy Australia features a red diamond shape with a blue square centered inside it. The text "philanthropy australia" is written in white lowercase letters within the blue square.

philanthropy
australia

ANNUAL
REPORT
2017

Three large red gears are interlocked in the center of the page. The gear on the left contains the text "more & better", the gear on the top right contains "Towards", and the gear on the bottom right contains "philanthropy".

more & better

Towards

philanthropy

Corporate Information

**PHILANTHROPY
AUSTRALIA INC.**

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info@philanthropy.org.au

Website
philanthropy.org.au

ABN
79 578 875 531

Incorporated Associated No.
A0014980T

Melbourne
Level 2, 55 Collins Street
Melbourne VIC 3000

Sydney
PO Box Q1224
Queen Victoria Building
Sydney, NSW 1230

Brisbane
Suite 7E, Level 7
344 Queen Street
Brisbane, QLD 4000

Adelaide
Suite 912, Level 9
147 Pirie Street
Adelaide, SA 5000

National
1300 511 500

Patrons
Sir Gustav Nossal AC CBE
Lady Southey AC

Council
As at 31 December 2017
President Mr Alan Schwartz AM
Vice President Ms Ann Johnson
Council Members
Ms Kirsty Allen (Appointed April 2017)
Mr Allan English
Mr Rob McLean AM
Ms Amanda Miller
(Appointed April 2017)
Mr John McLeod
Ms Ann Sherry AO (Casual Member,
appointed October 2017)
Mr Joe Skrzynski AO
Ms Jenny Stephens
Ms Caroline Stewart
Ms Genevieve Timmons
Mr Craig Winkler

Key Governance Personnel
Treasurer & Company Secretary
Ms Elizabeth O'Brien

With thanks to our departing
Council Member in 2016:
Mr Peter Winneke (Appointed 2014)

Staff
As at 31 December 2017

Executive
CEO Sarah Davies
EA Vanessa Kobiela

Membership Services
**National Membership
Services Manager**
Linda Cassidy

SA & WA State Manager
Julia Steele Scott

NSW & ACT State Manager
Judy Foster

QLD State Manager
Sue Fisher

VIC & TAS State Manager
Patricia Burke

National Events Executive
Angela Band

New Generation of Giving Officer
vacant

Philanthropic Services
Philanthropic Services Manager
Chris Wootton

Policy & Research
Advocacy & Insight Manager
Krystian Seibert

Marketing & Communications
Chief Storyteller
Nicole Richards

Marketing Manager
Tary Cin

Digital Marketing Executive
Louis Larsen

Partnerships
**Partnerships & Corporate
Events Manager**
Giselle Pinto

Finance
Finance & Operations Manager
Mal Lewis

Finance Administrator
Anantha Vedavratha

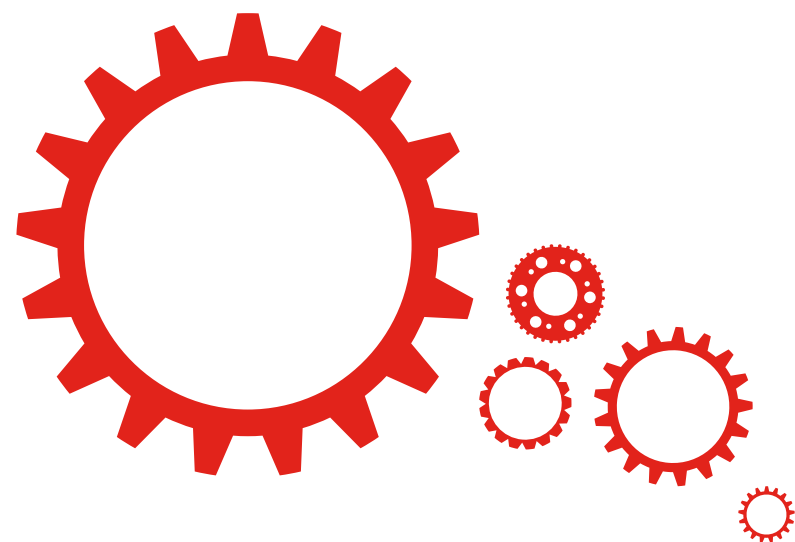
*All staff and Council
biographies can be found at
philanthropy.org.au/about-us

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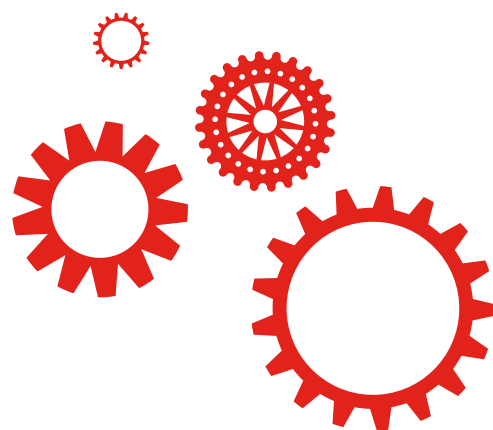
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Serving the community to achieve more and better philanthropy.



President's Report



2017 marked the beginning of a transformative period for Philanthropy Australia. Armed with the findings of 2016's extensive member consultation and the *2017-2020 Strategic Plan*, the organisation has stepped into a future that will deliver a stronger and more sustainable peak body that provides a collective voice to philanthropy in this country.

Careful groundwork has been laid for the transition to a new membership offering that gives members more choice when it comes to the support and services they need from their peak body. There are also new opportunities to stand shoulder to shoulder with us and contribute as leaders in the philanthropic community.

As part of a new initiative to grow giving, Philanthropy Australia launched Philanthropy Champions in December 2017. It is a program specifically designed to invest in the leadership and capacity of the philanthropic sector today to ensure a more giving tomorrow.

Each of our Philanthropy Champions, is a committed advocate for more and better philanthropy. The former, because each Champion sees the latent potential to grow giving in this country; the latter because, as every philanthropist knows, there are always lessons to be learned and innovative ways to enhance impact.

Though some of our founding Philanthropy Champions may not regard themselves, or their foundations, as leaders in philanthropy, their commitment to building and extending our nation's philanthropic infrastructure makes them so. They are not only champions 'of' philanthropy but also champions 'for' philanthropy.

Philanthropy Champions is one part of Philanthropy Australia's focus on leadership and advocacy to achieve more and better philanthropy. Building on the success of the second Philanthropy Meets Parliament Summit held in September 2017, Philanthropy Australia continues to provide clarity to our members on the role, scope and potential of advocacy through our ongoing policy and advocacy work with government.

Leadership and advocacy play an integral role in the development of any industry, but I think it is particularly important in the social sector. Philanthropy has the capacity to serve as risk capital for new ideas, initiatives and experiments and that is increasingly important when the social and environmental challenges we face are becoming more complex by the day. It will take visionary leadership from Australians of all backgrounds and businesses if we are to build an impact movement that has the potential to achieve true change.

In 2017 we welcomed three new members to the Philanthropy Australia Council, who are all leaders in their own right: Amanda Miller and Kirsty Allen who joined in April and Ann Sherry who was casually appointed in October. Council farewelled Peter Winneke whose wisdom and insight we had the privilege of sharing since 2014.

My thanks go to all my fellow Council Members for their support and valuable contributions this year, the hardworking Philanthropy Australia staff and of course Sarah Davies as CEO. Sarah's passion and commitment to the organisation, and the sector, is an inspiration to us all.

Finally, thank you to our Members who have not only helped shape the future of Philanthropy Australia, but who continue to recognise the importance of a strong peak body in order to drive more and better philanthropy.

Alan Schwartz AM
President

Chief Executive Officer's Report



One of my favourite memories of 2017 is sitting riveted, listening to exceptional case studies at Day Two of the Philanthropy Meets Parliament Summit. There's nothing unusual about being inspired at a Philanthropy Australia event (if I do say so myself!), but what made this so special was the fact that these were Australian philanthropic leaders, speaking to home-grown examples of game-changing philanthropy.

Judging by the feedback we received post-Summit, many others felt the same. The Summit showcased tangible examples of the impact philanthropy is having on lasting system and policy change and a range of strategies demonstrating how philanthropy is enabling system change at scale. The launch of the Parliamentary Friends of Philanthropy demonstrated the interest and support for philanthropy from MPs and gives us a good platform for future engagement.

Our international guest at the Summit, Daniel Lee from the Levi Strauss Foundation, not only shared compelling examples of pioneering leadership, but challenged us to expand our thinking about the power of advocacy to achieve systemic change, because, as he so beautifully put it: "Advocacy fuels the power of justice."

Caroline Fiennes' visit from the UK to do a national Thought-leadership Roadshow. Thank you to all our event partners including Paul Ramsay Foundation, Susan McKinnon Foundation, Social Ventures Australia, Teach For Australia and Warakirri Asset Management for bringing the Summit to life.

In other flagship events, the Australian Philanthropy Awards again recognised best practice and the brilliant work of leading philanthropic practitioners at all levels. Six of Australia's most strategic funders were honoured at the event in April as we celebrated innovative collaborations between grantmakers and their non-profit partners.

In a demonstration of true leadership and generosity, our 2017 Leading Philanthropist, Ian Darling AO, went on to share his wisdom, insights and lessons learned with almost 500 members of our philanthropic community in a series of Masterclasses held across four states during October.

The UK Study Tour, which saw 19 Members take in three cities, nine UK trusts and foundations and one conference in the space of eight days, was a hugely rewarding trip that sparked new thinking, particularly on the growth of social investment and the value of peer networks. I'm thrilled that one of the 'stars' of our visit, Danielle Walker-Palmour from Friends Provident Foundation, will be coming to Australia for our 2018 National Conference: 'Is Purpose Enough?'. Her session will be an absolute 'must see'.

Among the 120 events we convened for Members in 2017, there were also smaller, more focused and intimate events. The National Peer Networks, for example, which continue to grow as more members share, collaborate and learn together.

Along with launching Philanthropy Champions, which our President, Alan Schwartz, has detailed in the preceding pages, our partnerships and collaborations for more and better philanthropy continued to grow in 2017. We collaborated with Creative Partnerships Australia on Australia's first-ever collective giving research; worked with NAB to grow impact investing readiness; and partnered with Foundation for Rural and Regional Renewal (FRRR) for Community and Philanthropy Partnerships Week.





We commenced three major strategic projects in partnership with our members: Storytelling, Foundation Maps Australia and the Economic Case for Philanthropy. Storytelling continues and the other two projects will hit their straps in 2018.

Our policy and advocacy work on behalf of members continued to increase in scope and intensity, and there seemed to be a shift from the 'extend' climate to a 'defend' climate. While we were very pleased with the outcome of the DGR review, the end of the year saw us working closely with Community Council Australia, Australian Environmental Grantmakers Network (AEGN) and other collaborators to defend the rights of charities and philanthropy to advocate. These efforts will continue in 2018.

As we turn our attention to 2018, Philanthropy Australia is confidently positioned to make the transition to a new and improved membership offering. Supporting the community to achieve more and better philanthropy is what unites us. Thank you to our Members, our partners and supporters, our Council Members, particularly Alan Schwartz as President, and the entire Philanthropy Australia staff for an inspiring, challenging and rewarding 2017. And here's to more of the same in 2018.

Sarah Davies
Chief Executive Officer

2017–2020 Strategic Plan

More & Better	2020 Objectives	2020 Outcomes
 <p>Leadership & Advocacy</p>	<ul style="list-style-type: none"> To provide an informed and prominent voice for the sector as an advocate and influencer to enable philanthropy to grow and drive effective change. 	<ul style="list-style-type: none"> Strong collaborative relationships with government Effective policy environment for philanthropy and reform to grow giving Clear economic case for government support of philanthropy Philanthropic leaders recognised and celebrated Increased awareness of philanthropy in wider community
 <p>Connecting & Convening</p>	<ul style="list-style-type: none"> To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business. 	<ul style="list-style-type: none"> Philanthropy, community and government collaborative projects in-train and models shared Vibrant national and international networks and collaborations for funders and social investors Active funder groups with shared resources and funding projects
 <p>Data & Insight</p>	<ul style="list-style-type: none"> To facilitate openness and transparency, including the efficient collection, analysis and sharing of data and information and to initiate and promote strategic research in order to inform the work and direction of the philanthropic sector. 	<ul style="list-style-type: none"> Collaborative data collection and sharing with Australian Charities and Not-For-Profits Commission (ACNC) and universities Increase sharing of grants data: regular Foundation Maps Australia reports Regular benchmarking of philanthropic and operational practices Impact projects clearing house
 <p>Professional Learning & Services</p>	<ul style="list-style-type: none"> To build the capability of the sector through expert and professional learning by providing professional development programs, conferences, masterclasses and study tours. 	<ul style="list-style-type: none"> Program of professional learning seminars, workshops, masterclasses and conference Annual national and international study tours Accredited professional adviser program Suite of shared best practice resources and handbooks
 <p>Better Giving Hub</p>	<ul style="list-style-type: none"> Using technology, to build a community of interest across the sector, engage and share a range of resources, information and tools; and connect and network for shared interest and outcomes. 	<ul style="list-style-type: none"> Vibrant community of interest that shares news, events and resources Research portal, online networks and bulletin boards Collaborative funding, Funder Central, grants database Directory of Funders
 <p>Organisation Effectiveness</p>	<ul style="list-style-type: none"> To achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices. 	<ul style="list-style-type: none"> Strong, healthy culture that attracts and retains a talented high-performing team Financial viability with diversified income streams and profitable activities Effective governance and full compliance against regulatory and statutory requirements Efficient practices and processes that support growth and innovation

2017 Action Plan Achievements

Leadership & Advocacy

80%

100%

LEADERSHIP AND ADVOCACY

Provide an informed and prominent voice for the sector

- Successful outcomes of our advocacy: deductible gift recipient (DGR) framework reform and the establishment of an impact investment readiness fund
- Economic Case for Philanthropy project scoped and underway
- Parliamentary Friends of Philanthropy established and launched
- Close engagement with various Australian Government departments and regulators, as well as the Prime Minister's Community Business Partnership
- Outstanding philanthropic practice recognised in 2017 Awards
- Ian Darling AO Leading Philanthropist 2017
- 20 leading philanthropists and Foundations recognised as Philanthropy Champions for their active ambassadorship and championship of philanthropy in Australia
- First ever philanthropy Chief Storyteller appointed

To develop a range of government and policy initiatives and responses to shape the policies that will grow philanthropy and its impact.

To commence 'The Economic Case for Philanthropy' project.

90%

80%

100%

To build a closer relationship and understanding between government, policy makers, elected representatives and philanthropy.

To engage with Members on policy issues and our advocacy activities.

To run an annual Philanthropy Awards program in order to acknowledge and celebrate best practice, leadership and inspire others.

To establish the Philanthropy Champions and build a coalition of influencers that will advance philanthropy.

70%

To build awareness of the role and contribution of philanthropy in society through events, media, public comment and stories.

Connecting and Convening

80%

100%

CONNECTING AND CONVENING

Facilitate and support effective working groups, networks and partnerships within philanthropy, community, government and business

- 84% Member retention rate
- 12 active peer networks engaged nationally
- Successfully delivered 18 hot topic webinars, 14 round-tables and 10 national thought leadership events
- Over 400 1:1 meetings with Funders
- Over 550 attendees at Funder Networks and Interest Groups
- Successful pilot of Emerging Philanthropist Accelerator program
- 20 New Gen events held in Sydney, Melbourne and Brisbane

To design and conduct a national program of Member networks and interest groups to deepen knowledge, share experience and learning and enable collaboration.

To design and conduct a national program of events, seminars and round-tables under the umbrella of 'Hot Topics', that inspire and engage Members.

100%

100%

40%

To engage Members through knowledge development, collaboration, networking, advocacy and services.

To inform Members and Associates about current activities, events, developments and trends.

To grow the New Gen network, encourage peer-to-peer learning and execute the 2017 program through networking and collaboration.

2017 Action Plan Achievements



DATA AND INSIGHT
Facilitate openness and transparency to inform the work and direction of the philanthropic sector



To launch the first component of the Open Philanthropy Initiative - 'Foundation Maps Australia'.



PROFESSIONAL LEARNING AND SERVICES
Build the capacity of the sector through knowledge and professional development

- Insightful and successful UK Study Tour for Members
- Lessons shared through network meetings and storytelling
- 12 Discovery Grants awarded with \$530K in matched funding from Members
- Eight bespoke professional adviser workshops delivered to clients and CPD Points Accreditation achieved
- Successful Philanthropy Meets Parliament Summit: 100% participant satisfaction
- New course for Trustees of Charitable Trusts developed in conjunction with Australian Institute of Company Directors (AICD)
- Major consulting projects delivered to grow and advance philanthropy



To plan, design and create the 2017 Private Giving Tour for Trustees and CEOs of private and family foundations, to the UK.



To implement Impact Investment Ready Discovery Grants Program in partnership with NAB.



To continue to market and deliver professional adviser client workshops and to develop the Professional Adviser accreditation program.



To deliver a suite of events and workshops, including the Philanthropy Meets Parliament Summit, Hot Topic events, investment seminars for Trustees and CEOs, and workshops for Trustees and responsible persons.

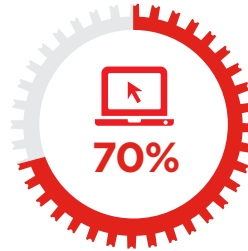


To provide fee-for-service philanthropic consulting services to improve philanthropic practice and support new and emerging philanthropists.



BETTER GIVING HUB
Build an interactive online community of interest and resource hub across the sector

- Increased reach of stories
- 'People in Philanthropy' series well received
- 2018 Calendar of Events launched
- Better Giving Hub scoped and build underway for launch in 2018



To refresh and update the website to build content, functionality and value for users.



To enhance and build online capability to engage Members in an environment in which they can chat, pose questions, upload and view content and form groups to collaborate or share information.



ORGANISATION EFFECTIVENESS
Achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices

- Budget and forecast achieved
- Strong focus on team development
- Three key leadership appointments made
- Council Effectiveness Review undertaken



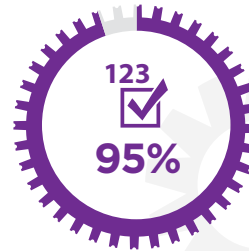
To deliver the plan within the agreed budget and resources.



To ensure a strong, healthy culture and to attract, motivate and retain a talented high performing team.



To seek a range of funded sponsorships and partnerships aligned with the relevant activities in order to achieve financial sustainability.



To ensure effective governance and full compliance against regulatory and statutory requirements.

2018 Action Plan

LEADERSHIP & ADVOCACY

Provide an informed and prominent voice for the sector

OBJECTIVES

To scope, develop and articulate a range of government and policy initiatives and responses which inform and shape the right policies, regulations and incentives to grow philanthropy and its impact.

Complete, launch and socialise 'The Economic Case for Philanthropy' project and report.

To build a closer relationship and understanding between government, policy makers, elected representatives and philanthropy.

Engage with Members to seek their views on policy issues; and brief them on policy developments and other trends, Philanthropy Australia's advocacy activities and 'Data and Insight' initiatives.

To run an annual Philanthropy Awards program in order to acknowledge and celebrate exceptional leadership and practice, inspire others and generate awareness and understanding of the role and contribution of philanthropy.

To implement an engagement program for Philanthropy Champions to build a coalition of influencers that will advance philanthropy.

To build awareness of the role and contribution of philanthropy in society through events, media, public comment and stories.

CONNECTING & CONVENING

Facilitate and support effective working groups, networks and partnerships within philanthropy, community, government and business

OBJECTIVES

To engage members by designing and conducting a national event and engagement program (delivered face to face, webinars, video-conferencing and tele-conferencing) in order to deepen knowledge, share experience and learning and enable collaboration.

To implement the new Membership Model from 1 May 2018.

To develop and implement a membership engagement plan to retain existing and grow new membership, ensuring maximum membership satisfaction.

To keep all Members and Associates informed and up to date with current activities, events, developments and trends.

To review the New Gen program and refine proposition to build new gen engagement and giving.

DATA & INSIGHT

Facilitate openness and transparency to inform the work and direction of the philanthropic sector

OBJECTIVES

Launch 'Foundation Maps Australia'.

Develop Australian Glasspockets initiative, in partnership with Foundation Center and Philanthropy New Zealand.

PROFESSIONAL LEARNING & SERVICES

Build the capacity of the sector through knowledge and professional development

OBJECTIVES

To design and deliver a successful philanthropy conference which:

- promotes and shares leading thinking, innovation and best practice in philanthropy
- explores the mechanisms and case studies leading to effective philanthropy
- provides an opportunity for networking, peer learning and discussion of issues and current themes.

To plan, design and create the 2018 Study Tour to Israel in partnership with Jewish Funders Australia.

To plan and run a targeted and integrated Professional Learning Program and Masterclasses to develop and advance professional practice across the full philanthropic spectrum - supported by the Professional Learning Library.

To plan and run a national, targeted and integrated program of thought-leadership activities for Members.

To provide philanthropic consultancy services on a fee-for-service basis to improve philanthropic practice and support new and emerging philanthropists.

BETTER GIVING HUB

Build an interactive, online community of interest and resource hub across the sector

OBJECTIVES

To develop, test and launch phase 1 functionality for the Better Giving Hub.

Review effectiveness and usage of phase 1 and scope phase 2 functionality development.

ORGANISATION EFFECTIVENESS

Achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices

OBJECTIVES

To deliver the plan within the agreed budget and resources.

To seek a range of funded sponsorships and partnerships aligned with the relevant activities to achieve financial sustainability.

To ensure a strong, healthy culture and to attract, motivate and retain a talented high performing team.

To implement the IT plan to ensure infrastructure and systems are meeting and supporting business needs.

To ensure effective governance and full compliance against regulatory and statutory requirements.

To propose to members that PA moves to a company limited by guarantee structure.

Partnership Acknowledgements 2017

We would like to acknowledge the generous and valuable support provided by the following individuals and organisations and thank them most sincerely for their contributions.

OFFICE

Adelaide

The James & Diana Ramsay Foundation

Brisbane

Tim Fairfax Family Foundation

Melbourne

ANZ

Sydney

Westpac

PHILANTHROPY CHAMPIONS

Collier Charitable Fund
English Family Foundation
Fay Fuller Foundation
Gandel Philanthropy
Hunt Family Foundation
McLeod Family Foundation
Paul Ramsay Foundation
Perpetual
Portland House Foundation
The Caledonia Foundation
The Ian Potter Foundation
The McLean Foundation
The R E Ross Trust
The Sky Foundation
The William Buckland Foundation
Tim Fairfax AC
Trawalla Foundation
W & A Johnson Family Foundation
Wheelton Philanthropy

AUSTRALIAN PHILANTHROPY AWARDS 2017

Best Large Grant Award Sponsor

Ninti One

Best Small Grant Award Sponsor

Ninti One

Indigenous Philanthropy Award Partner

Ninti One

Environmental Philanthropy Award Partner

Australian Environmental Grantmakers Network

Gender-wise Philanthropy Award Sponsor

FIIG Securities

Media Partner

Financial Standard

Venue Host

NAB

BETTER GIVING HUB

English Family Foundation
Gandel Philanthropy
Perpetual
Tim Fairfax AC

COMMUNITY AND PHILANTHROPY PARTNERSHIPS WEEK

Australian Government,
Department of Social Services

END OF YEAR EVENTS

Adelaide

Community Sector Banking
Fay Fuller Foundation

Brisbane

The University of Queensland
Customs House, Brisbane

Melbourne

Perpetual

Sydney

Perpetual

FOUNDATION MAPS AUSTRALIA

Gandel Philanthropy
Perpetual
The Ian Potter Foundation

GENERAL DONATION

Quentin & Amanda Miller

GUIDES AND HANDBOOKS

A Grant-seeker's Guide to Trusts and Foundations

Strategic Grants

A Guide to Giving for Australians

NAB

An Introductory Guide to Grant-making

NAB

PAF Trustee Handbook

Australian Philanthropic Services
Macquarie Group Foundation
Myer Family Company

Philanthropy Guide for Advisers

Australian Communities Foundation
Australian Executor Trustees

PuAF Trustee Handbook

Australian Philanthropic Services

Trustee Handbook: Roles and Duties of Trustees of Charitable Trusts and Foundations in Australia

Australian Philanthropic Services

PHILANTHROPY AUSTRALIA/ NAB IMPACT INVESTMENT READY DISCOVERY GRANTS

CAGES Foundation
English Family Foundation
Equity Trustees via:
A & S Rosenthal Fund
C F W Taylor Trust
C H & C E Waddell Trust
C L Forrest Estate
VCF Susan Gardiner Trust
NAB
The Snow Foundation
Vincent Fairfax Family Foundation

PHILANTHROPY MEETS PARLIAMENT SUMMIT 2017

Principal Partner

Paul Ramsay Foundation

Presenting Partners

Social Ventures Australia
Susan McKinnon Foundation
Warakirri Asset Management

Delegate Drinks Sponsor

Teach For Australia

Media Partner

Think HQ

PHILANTHROPY WEBINAR SERIES

Pro Bono

THE POWER OF ADVOCACY REPORT

Reichstein Foundation
The Myer Foundation

STORYTELLING INITIATIVE

Day Family Foundation
Ruffin Falkiner Foundation
The Balnaves Foundation
Tim Fairfax AC
Wheelton Philanthropy

THE CASE FOR PHILANTHROPY

Paul Ramsay Foundation
The Ian Potter Foundation

THOUGHT LEADERSHIP ROADSHOW (Caroline Fiennes)

Centre for Evidence and Implementation, University of Melbourne

2017 ANNUAL GENERAL MEETING

Venue Host

NAB

Secretary

Nick Crowhurst,
Collaboratus Group

COUNCIL MEETINGS

UBS

VENUE HOSTS

Adelaide Festival Centre
Art Gallery of NSW
Atlassian
Australian National University
Australia Post
Bennelong Foundation
Champ Equity
Clayton Utz
Cooper Investors
Department of Foreign Affairs and Trade (DFAT)
Folonomo
Herbert Smith Freehills
JBWere
KPMG
Koda Capital
Lord Mayor's Charitable Foundation
Lotterywest
Macquarie Group
McCullough Robertson
Morgans
Museum of Sydney
Museum Victoria
Myer Family Company
NAB
Origin Foundation
Oz Harvest
Perpetual
PwC
Queensland University of Technology
Social Ventures Australia
Centre of Excellence in Child and Family Welfare
The Wheeler Centre
The Wyatt Trust
Tim Fairfax Family Foundation
UBS
Victorian Council of Social Service
Westpac
We Work
MARKETING
Disegno
Collier Creative

Council Members' Report

For the Year Ended 31 December 2017

The council members submit the financial report of Philanthropy Australia for the financial year ended 31 December 2017.

GENERAL INFORMATION

Council Members

The names of council members throughout the year (and at the date of this report) are below.

During the financial year, six council meetings were held. Attendances by each council member during the year were as follows:

	Appointed/Resigned	Council Meetings	
		Number eligible to attend	Number attended
Alan Schwartz AM		6	6
Allan English		6	5
Amanda Miller	Appointed 13 Apr 2017	5	5
Andrew Craig Winkler		6	5
Ann Johnson		6	6
Ann Sherry AO	Appointed 25 Oct 2017	2	1
Caroline Stewart		6	6
Genevieve Timmons		6	6
Jennifer Stephens		6	5
John McLeod		6	6
Joseph Skrzynski AO		6	5
Kirsty Allen	Appointed 13 Apr 2017	5	3
Peter Winneke	Resigned 13 Apr 2017	1	1
Robert McLean AM		6	4

Philanthropy Australia also has committees that meet periodically throughout the year. The regular committees and members as at 31 December 2017 were as follows:

Audit, Risk and Compliance Committee

Elizabeth O'Brien (Chair), Caroline Stewart, Kirsty Allen and John McLeod.

Governance and Nominations Committee

Alan Schwartz AM (Chair), Ann Johnson and Genevieve Timmons.

Policy and Research Committee

Joseph Skrzynski AO (Chair), Allan English, Robert McLean AM, Amanda Miller and Jennifer Stephens.

INFORMATION ON COUNCIL MEMBERS

Background of Council members can be located on our website; <http://www.philanthropy.org.au/about-us/council/>

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

Vision and Purpose

Philanthropy Australia defines philanthropy as the planned and structured giving of money, time, information, goods and services, voice and influence to improve the wellbeing of humanity and the community.

We define the philanthropic sector as trusts, foundations, organisations, families and individuals who engage in philanthropy.

Philanthropy Australia's vision is to achieve a more giving Australia and to this end, our purpose is to serve the philanthropic community to achieve more and better philanthropy.

As the peak body we serve a community of funders, grant-makers, social investors and change agents working to achieve positive social, cultural, environmental and community change by leveraging their financial assets and influence. Philanthropy Australia gives our members a collective voice and ability to influence and shape the future of the sector and advance philanthropy. The philanthropic community comes together through Philanthropy Australia to build its collective voice, capacity, impact and influence.

Philanthropy Australia's principal activities comprise:

- representing and advocating for the philanthropic sector as the national peak body for philanthropy
- supporting and enabling an innovative, growing, influential and high performing philanthropic sector in Australia
- promoting the contribution of philanthropy by growing the understanding of the community, business and government
- inspiring and supporting new philanthropists
- increasing the effectiveness of philanthropy through the provision of information, professional development, resources and networking and collaboration opportunities

- promoting strong and transparent governance standards in the philanthropic sector
- providing information to those seeking to understand, access or partner with the philanthropic sector.

The organisation works Australia-wide with offices in Melbourne, Sydney, Adelaide and Brisbane.

Membership fees, professional development and learning fees, services fees, donations, grants and partnerships all contribute to funding Philanthropy Australia.

Philanthropy Australia's 2017-2020 Strategic Map explains Philanthropy Australia's four-year goals, outlined below.

2020 Goals

- To provide an informed and prominent voice for the sector as an advocate and influencer to enable philanthropy to grow and drive effective change.
- To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business.
- To facilitate openness and transparency, including the efficient collection, analysis and sharing of data and information and to initiate and promote strategic research in order to inform the work and direction of the philanthropic sector.
- To build the capability of the sector through expert and professional learning by providing professional development programs, conferences, master classes and study tours.
- Using technology, to build a community of interest across the sector, engage and share a range of resources, information and tools; and connect and network for shared interest and outcomes.
- To achieve strong governance, an engaged and high performing team, and a financially sound business model.

Council Members' Report continued

For the Year Ended 31 December 2017

2017 Key Financial and Performance results

Philanthropy Australia started the year with a plan for the evolution of its business model, developed to support achievement of its strategic direction and goals as well as financial sustainability. The business model identifies two symbiotic components:

- (i) Serving Members – relating to the strategic priorities of connecting and convening, professional learning and the Better Giving Hub. The revenue generated from membership fees needs to cover all costs associated with delivery of membership services; and
- (ii) Advancing Philanthropy – relating to the strategic priorities of leadership and advocacy, data and insight and strategic projects which advance philanthropy. These initiatives need to be funded by project grants and capacity building support, as well as by contributions from Philanthropy Champions.

The 2017 budget was structured to reflect this model and the strategic priorities. The 2017 results are represented below. Philanthropy Australia will continue to report against the strategic framework and business model in this way so we can be transparent with members around delivery of services and achievement of the strategic plan.

PROFIT & LOSS FOR THE YEAR ENDED 31 DECEMBER 2017

Revenue and Expenditure by Type and Strategic Activity

	Restricted	Unrestricted	2017 \$	2016 \$
INCOME				
Connect & Convene – Membership services		\$1,150,425	\$1,150,425	\$1,208,532
Leadership – PA Awards, Summit, Storytelling, Champions	\$165,000	\$775,905	\$940,905	\$833,165
Advocacy, data & insight	\$296,600	\$24,050	\$320,650	\$75,000
Professional learning	\$196,093	\$202,399	\$398,492	\$351,951
Philanthropic services & programs	\$244,500	\$257,551	\$502,051	\$18,000
Collaboration grants & costs	\$307,975	\$538,000	\$845,975	\$203,056
Governance & operations		\$262,054	\$262,054	\$225,421
Total Income	\$1,210,168	\$3,210,384	\$4,420,552	\$2,915,125
EXPENDITURE				
Connect & Convene – Membership services		\$819,694	\$819,694	\$982,775
Leadership – PA Awards, Summit, Storytelling	\$52,199	\$225,378	\$277,576	\$560,692
Advocacy, data & insight	\$258,987	\$168,916	\$427,902	\$245,444
Professional learning	\$196,093	\$174,521	\$370,614	\$267,848
Philanthropic services & programs	\$244,500	\$212,835	\$457,335	\$21,037
Collaboration grants & costs	\$307,975	\$530,867	\$838,842	\$124,089
Governance & operations		\$733,884	\$733,884	\$607,023
Total Expenses	\$1,059,753	\$2,866,094	\$3,925,847	\$2,808,909
Total Surplus (Deficit)	\$150,415	\$344,290	\$494,705	\$106,215

Philanthropy Australia received a number of strategic project grants in 2017 for work that will straddle more than one financial year. Where the accounting standards allow us to defer the relevant income, we have done so and this can be seen in our Statement of Financial Position further in this Report. Where the standards do not allow deferral of relevant income to the years in which the work will be undertaken, we have identified and transferred these ‘surplus’ amounts as ‘restricted funds’ within the Equity statement. This includes funding for our new Storytelling initiative, our digital platform (Better Giving Hub, to be launched in 2018), and the Economic Case for Philanthropy.

In future years, as the expenditure occurs, these reserves will be used to fund any budgeted deficits reported on these activities.

At the end of 2017, Philanthropy Australia is carrying forward \$150,415 of surplus for this purpose to meet ongoing commitments tied to these major initiatives. ‘Unrestricted’ income represents any surplus not tied to specific future years’ project commitments. In 2017, this was \$344,290. Together, they make up the 2017 end of year position of a surplus of \$494,705.

Philanthropy Australia developed clear targets for partnership income for our strategic projects, member and thought-leader events, and the Summit. In addition, we launched the Philanthropy Champions initiative, asking philanthropy leaders to support Philanthropy Australia for three years, under-pinning our capacity whilst we advance philanthropy, and embark on our membership transition strategy.

We were fortunate to achieve these 2017 targets for support and ended the year with a surplus. Our Philanthropy Champions supported our capacity building with donations of \$435,000, contributing to our reserves, enabling us to meet the challenge of moving our members to a new model in 2018.

Our income grew by 52% on 2016 results, to \$4.420 million. ‘Flow through’ partnerships with NAB and our supporters on the Impact Investing program, and with Optus on its grant-makers program represent significant items of income in 2017.

Our membership fees were \$1.080 million. Membership numbers declined in 2017. Fee income held in advance at year-end 2016 helped our fee targets for 2017 as they were recognised.

	2017	2016
Number of new Members & Associates	87	158
Number of continuing Members & Associates	578	637
Total Members & Associates	665	795

Expenditure on our strategic projects, and consultancy costs for the services provided with the launch of the Philanthropic Services business offering, increased our expenditure in line with income.

Council Members' Report continued

For the Year Ended 31 December 2017

INFORMATION ON OTHER KEY NON-COUNCIL MEMBERS

Sarah Davies, CEO

Prior to joining Philanthropy Australia in October 2015, Sarah was CEO of The Reach Foundation, a for-purpose organisation working to improve the wellbeing of young people so they can get the most out of life. Sarah has also been CEO of the Australian Communities Foundation, a non-profit charitable foundation which enables accessible philanthropy and matches its donors' interests to emerging social issues and needs of communities. Before moving into the non-profit sector, her professional life included senior executive roles in tertiary education in Australia and private sector consulting in HR, marketing and strategy in Australia, Europe and the Middle East. Sarah's current community roles include Director of Kids Under Cover and board member of the Centre for Social Impact. Sarah is a Fellow of the Australian Institute of Management, a Member of the Australian Institute of Company Directors, a Fellow of the Williamson Community Leadership Program and a Victorian JP.

Elizabeth O'Brien, Audit, Risk and Compliance Committee Chair, Treasurer and Company Secretary

Elizabeth O'Brien is the Audit, Risk and Compliance Committee Chair, Treasurer and Company Secretary. Elizabeth O'Brien is a partner at PricewaterhouseCoopers. Elizabeth led the Financial Services Assurance Practice in Melbourne until her recent relocation to the Financial Assurance Practice in Sydney. Elizabeth is a Registered Company Auditor, a Member of the Institute of Chartered Accountants in Australia and holds a Commerce degree from The University of Melbourne.

Signed in accordance with a resolution of the Members of the Council:



Alan Schwartz AM
President

Dated 27 February 2018



Elizabeth O'Brien
Audit, Risk and Compliance Committee Chair

Philanthropy Australia
ABN: 79 578 875 531

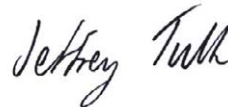


Auditors Independence Declaration to the Council Members of Philanthropy Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been no contraventions of any applicable code of professional conduct in relation to the audit of Philanthropy Australia.



Seward Dawson



Jeffrey Tulk
Partner

Blackburn VIC
Dated: 27 February 2018

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PRINCIPALS: Bruce Saward FCA Peter Shields FCA
Joshua Morse CA Jeff Tulk CA
Directors: Cathy Braun CA
Marie Ickeringill SSA Matthew Stokes CA
Murray Nicholls CA Vicki Adams CA CPA CFP®

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
INCOME			
Member fees		1,080,085	1,123,027
Subscriptions (Online directory)		69,538	72,778
Grants, donations & sponsorships	2	1,403,077	697,638
Government grants		215,838	215,089
Collaboration grants & donations		845,975	65,000
Summit (Conference FY16) registrations		146,455	600,080
Thought-leader events & workshops		136,569	85,947
Philanthropic Services consulting & other income		486,344	36,624
Interest income		36,671	18,942
Total Revenue		4,420,552	2,915,125
EXPENDITURE			
Event management		(147,763)	(263,176)
Marketing & communications		(71,030)	(100,220)
Travel & accommodation		(143,454)	(138,415)
Premises (In-kind) & rent	2	(153,006)	(143,069)
Finance & administration		(119,393)	(220,531)
ICT, CRM & digital		(87,433)	(39,986)
Auditors remuneration		(6,320)	(6,450)
Depreciation & amortisation		(16,421)	(12,265)
Consultants projects		(996,318)	(254,504)
Personnel benefits		(1,584,148)	(1,450,300)
HR & personal development		(20,486)	(47,993)
Grants & donations		(580,075)	(132,000)
Total Expenses		(3,925,847)	(2,808,909)
Surplus from continuing operations		494,705	106,215
Other comprehensive income for the year		-	-
Total surplus & comprehensive income for the year		494,705	106,215

These Statements should be read in conjunction with the Notes to the Financial Reports.

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	3	943,681	322,298
Trade & other receivables	4	137,707	92,904
Financial assets	5	1,005,970	1,133,240
Other assets	7	21,412	22,714
TOTAL CURRENT ASSETS		2,108,770	1,571,156
NON-CURRENT ASSETS			
Property, plant & equipment	6	21,547	14,780
TOTAL NON-CURRENT ASSETS		21,547	14,780
TOTAL ASSETS		2,130,317	1,585,936
LIABILITIES			
CURRENT LIABILITIES			
Trade & other payables	8	245,701	72,392
Income in advance	9	855,864	998,764
Employee benefits	10	77,751	61,370
TOTAL CURRENT LIABILITIES		1,179,316	1,132,525
NON-CURRENT LIABILITIES			
Income in Advance	9	30,213	38,720
Employee benefits	10	22,143	10,751
TOTAL NON-CURRENT LIABILITIES		52,356	49,471
TOTAL LIABILITIES		1,231,673	1,181,996
NET ASSETS		898,645	403,939
EQUITY			
Retained surplus		403,939	297,724
Surplus from general operations		344,290	-
Surplus restricted for future operations		150,415	106,215
Total Surplus/(Deficit) Current Year		494,705	106,215
TOTAL EQUITY		898,645	403,939

These Statements should be read in conjunction with the Notes to the Financial Reports.

Statement of Changes in Equity

For the Year Ended 31 December 2017

	Restricted Funds Reserve \$	Unrestricted Reserve \$	Surplus/ (Deficit) \$	Retained Surpluses \$
2017				
Balance at 1 January 2017	-	403,939	-	403,939
Surplus for the year			494,705	494,705
Transfer To Reserves	150,415	344,290	-	-
Transfer (From) Reserves			-	-
Balance at 31 December 2017	150,415	748,229	494,705	898,645
2016				
Balance at 1 January 2016	-	297,724	-	297,724
Surplus for the year	-	106,215	106,215	106,215
Balance at 31 December 2016	-	403,939	106,215	403,939

Note 1(L) of the Financial Statements explains the distinction of funds and reserves.

These Statements should be read in conjunction with the Notes to the Financial Reports.

Statement of Cash Flows

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members & supporters & events		1,826,091	1,678,125
Sponsorships, donations & grants received		2,255,033	1,191,776
Payments to suppliers & employees		(3,600,494)	(2,421,979)
Interest & Other Income received		36,671	84,156
Net cash provided by (used in) operating activities	15	517,301	532,077
CASH FLOWS FROM INVESTING ACTIVITIES			
Net placement of term deposits		127,270	(899,803)
Purchase of property, plant & equipment		(23,188)	(1,151)
Net cash used by investing activities		104,082	(900,954)
Net increase/(decrease) in cash & cash equivalents held		621,383	(368,877)
Cash & cash equivalents at beginning of year		322,298	691,175
Cash & cash equivalents at end of financial year	3	943,681	322,298

These Statements should be read in conjunction with the Notes to the Financial Reports.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Charities and Not-for-profits *Commission Act 2012*. Philanthropy Australia is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Comparative Amounts

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

(c) Income Tax

The Association is registered with the Australian Charities and Not-for-Profit Commission (ACNC) and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(e) Revenue and other income

The membership fee from Full and Associate Members is recognised proportionately over the subscription year. Any balance not earned as income at year-end is recognised as unearned income in Liabilities.

Revenue from Member fees and subscriptions are treated as income when paid.

Interest revenue is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets. Revenue from the sale of goods is recognised upon delivery of goods to customers.

Grant and donation revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. Donations are recognised immediately on receipt.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and grant revenue is recognised in the statement of financial position as a liability until the services has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from Workshops, Seminars, Study Tours and The Philanthropy Summit was recognised as income in advance and brought to account as income after the completion of the event.

(f) Goods and Services Tax (GST)

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

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Plant, Equipment and Software Development

Each class of plant, equipment and software development is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment and software development is measured on a cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. In the event the carrying amount of plant and equipment or software development is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	33%
Office Equipment	33%
Software Development	33-100%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, on demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Any bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Notes to the Financial Statements continued

For the Year Ended 31 December 2017

(j) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

For the purpose of measurement, AASB 119 defines obligations for short-term employee benefits as obligations expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119, provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees.

(k) Critical accounting estimates and judgments

Key estimates – impairment

Philanthropy Australia assesses impairment at the end of each reporting year by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

(l) Restricted/Unrestricted funds & equity reserves

Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise grant funding that must be spent in accordance with the terms of the funding agreement and donations and sponsorships where the donor indicates a condition or preference for how the funds should be spent. All other funds are unrestricted in that the Council has the discretion to spend them on purposes for which Philanthropy Australia was established.

The purpose of separately identifying Philanthropy Australia reserves is as follows:

Operating Reserve – The reserve is established for retained earnings, to stabilise short term fluctuations in cashflows to ensure Philanthropy Australia is financially resilient and can continue its strategic objectives uninterrupted.

Restricted Funds Reserve – The restricted funds reserve represents unexpended grants, sponsorships and donations allocated to specific purpose initiatives & projects that cross reporting years, which develop the capability and capacity of Philanthropy Australia to Advance Philanthropy.

2 IN-KIND INCOME & EXPENSE RECOGNITION

Philanthropy Australia recognises the generous in-kind donation rental value of our state offices as follows:

- Westpac (Sydney Office) since June 2017
– value \$15,600
- ANZ (Melbourne office) – value \$100,800
- The James & Diana Ramsay Foundation (Adelaide office) – value \$12,800
- Tim Fairfax Family Foundation (Queensland Office)
– value \$14,400.

	Note	2017 \$	2016 \$
3 CASH & CASH EQUIVALENTS			
Cash on hand		300	287
Cash at bank		943,381	322,011
Total cash & cash equivalent		943,681	322,298
4 TRADE & OTHER RECEIVABLES			
CURRENT			
Trade receivables		85,495	92,806
Other receivables		52,212	98
Total current trade & other receivables	(d)	137,707	92,904
(d) Financial assets classified as loans & receivables			
Accounts receivable & other debtors – Current		137,707	92,904
Total loans & receivables		137,707	92,904
5 FINANCIAL ASSETS			
Held-to-maturity financial assets		1,005,970	1,133,240
Total other financial assets		1,005,970	1,133,240

Notes to the Financial Statements continued

For the Year Ended 31 December 2017

	2017 \$	2016 \$
6 PROPERTY, PLANT & EQUIPMENT		
Furniture, fixtures and fittings		
At cost	13,212	15,351
Less accumulated depreciation	(13,212)	(15,351)
Total furniture, fixtures & fittings	-	-
Office & IT equipment		
At cost	48,208	47,081
Less accumulated depreciation	(26,661)	(42,597)
Total office equipment	21,547	4,484
Software & CRM Development		
At cost	19,000	19,000
Less accumulated depreciation	(19,000)	(8,704)
Total office equipment	-	10,296
Total property, plant & equipment	21,547	14,780

Movements in carrying amounts of property, plant and equipment

Movements in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year:

	Furniture & Fittings \$	Office/IT Equipment \$	Software & CRM \$	Total \$
Year ended 31 December 2017				
Balance at the beginning of the year	-	4,484	10,296	14,780
Purchases/additions		23,188		23,188
Disposals & write-offs	(2,138)	(22,060)		(24,199)
Depreciation write-back	2,138	22,060		24,199
Depreciation expense		(6,125)	(10,296)	(16,421)
Balance at the end of the year	-	21,547	(0)	21,546

Year ended 31 December 2016

Balance at the beginning of the year	-	6,895	19,000	25,895
Additions	-	1,150	-	1,150
Disposal & Write-Offs	-	-	-	-
Depreciation expense	-	(3,561)	(8,704)	(12,265)
Balance at the end of the year	-	4,484	10,296	14,780

	Note	2017 \$	2016 \$
7 OTHER CURRENT ASSETS			
Prepayments		21,412	22,714
Total		21,412	22,714

8 TRADE & OTHER PAYABLES

Trade payables		151,942	14,220
Other payables		93,759	58,172
Total		245,701	72,392

9 INCOME IN ADVANCE

CURRENT LIABILITIES

Advance membership income		484,500	573,385
Advance grant, partnership & other program income	1(e)	371,364	424,779
Total		855,864	998,764

NON-CURRENT LIABILITIES

Advance membership income		30,213	38,720
Total		30,213	38,720

10 EMPLOYEE BENEFITS

CURRENT LIABILITIES

Provision for annual leave		77,751	61,370
Total		77,751	61,370

NON-CURRENT LIABILITIES

Provision for long service leave		22,143	10,751
Total		22,143	10,751

In 2017, Philanthropy Australia had staff FTE 13.8, headcount 15 (2016: FTE 12.6, headcount 14).

Notes to the Financial Statements continued

For the Year Ended 31 December 2017

11 CAPITAL & LEASING COMMITMENTS

Operating Leases

Minimum lease payments under non-cancellable operating leases:

	2017 \$	2016 \$
- not later than one year	11,562	39,121
- between one year & five years	39,505	2,855
Total	51,067	41,976

The operating lease relates to printer/photocopiers & phone line rental.

12 FINANCIAL RISK MANAGEMENT

Philanthropy Australia's financial instruments consist mainly of deposits with banks & accounts receivable & payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 detailed in the accounting policies to these financial statements are as follows:

	Note	2017 \$	2016 \$
Financial Assets			
Cash & cash equivalents	4	943,681	322,298
Held-to maturity investments	6	1,005,970	1,133,240
Trade & other receivables	5	137,707	92,904
Total		2,087,359	1,548,441
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade & other payables	9	245,701	72,392
Total		245,701	72,392

13 KEY MANAGEMENT PERSONNEL DISCLOSURES

The total remuneration paid to key management personnel of Philanthropy Australia during the year are as follows:

	Note	2017 \$	2016 \$
Salaries & benefits	(a)	551,895	197,394
Superannuation		52,069	18,752
Total		603,964	216,146

Council members receive no remuneration for their time, and provide their services in-kind.

(a) In 2017, Philanthropy Australia recognises the senior management team (FTE 5) as having authority for planning, directing and controlling the entity activities (2016: 1 FTE).

14 CONTINGENT LIABILITIES & CONTINGENT ASSETS

In the opinion of the Council Members, Philanthropy Australia did not have any contingencies at 31 December 2017 (31 December 2016: None).

15 CASH FLOW INFORMATION

	2017 \$	2016 \$
Reconciliation of net income to net cash provided by operating activities:		
Surplus/(deficit) for the year	494,705	106,215

Cash flows excluded from profit attributable to operating activities

Non-cashflows in surplus

- depreciation	16,421	12,265
Changes in assets & liabilities:		
- (increase)/decrease in trade & other receivables	(44,803)	54,390
- (increase)/decrease in prepayments	1,302	10,171
- increase/(decrease) in income in advance	(151,406)	334,909
- increase/(decrease) in trade & other payables	173,309	(1,809)
- increase/(decrease) in current employee benefits	16,381	11,553
- increase/(decrease) in non-current employee benefits	11,392	4,383
Cashflow from operations	517,301	532,077

16 EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Philanthropy Australia, the results of those operations or the state of affairs of Philanthropy Australia in future years.

17 ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Philanthropy Australia
Level 2, 55 Collins Street
Melbourne VIC 3000

Certificate by Members of Council/ Responsible Entity Declaration

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

1. The financial report and notes as set out on pages 22 to 33 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and comply with Accounting Standards - Reduced Disclosure Requirements; and
2. give a true and fair view of the financial position as at 31 December 2017 and of the performance of the year ended on that date of the association, and
3. at the date of this statement, there are reasonable grounds to believe that Philanthropy Australia will be able to pay its debts as and when they fall due.



Alan Schwartz AM
President

Dated 27 February 2018



Elizabeth O'Brien
Audit, Risk and Compliance Committee Chair

Philanthropy Australia
ABN: 79 578 875 531



Independent Audit Report to the members of Philanthropy Australia

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Philanthropy Australia, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity declaration.

In our opinion, the financial report of Philanthropy Australia is in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the association's financial position as at 31 December 2017 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards - Reduced Disclosure Requirements 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 association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* 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 Council for the Financial Report

The council members of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The council's responsibility also includes such internal control as the council determines necessary to enable the preparation of a 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 council is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

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Independent Audit Report to the members of Philanthropy Australia

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.

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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 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.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn VIC
Dated: 27 February 2018

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