

Annual Report 2000

*National Association for Grantmaking Family, Private,
Corporate and Community Trusts and Foundations*



PHILANTHROPY
Australia

Corporate Information

Patron

Sir Gustav Nossal AC CB

Executive Council

President: Lady Southey AM
Vice-President: Mr Ben Bodna AM
Treasurer: Prof Tom Healy
National Director: Ms Elizabeth Cham

Council

Mr Ian B Allen OAM
Mr Barry Capp
Ms Dur-e Dara OAM
Dr W.T (Tim) Duncan
Mr Peter McMullin
The Hon Warwick L Smith
Ms Jan Cochrane-Harry

Secretariat

National Director: Ms Elizabeth Cham
General Manager: Ms Ruth Jones
Executive Assistant: Ms Kerrie Zammit
Accountant: Ms Nicola Johnson
Book Keeper: Ms Cheryl O'Kelly
Resource Centre Officer: Ms Vanessa Meachen
Resource Centre Librarian: Ms Louise Arkles

Auditors

McInnes, Graham & Gibbs
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Solicitors

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2000 Highlights

International Speakers

UK philanthropist Steven Burkeman attracted large audiences in Melbourne, Sydney, Brisbane and Hobart in November for a series of speeches and discussions on topics including staff/trustee relations, ethical investment of philanthropic funds and contemporary practice in foundation management.

The Trust Secretary of one of Britain's largest trusts, the Joseph Rowntree Charitable Trust, and a member of the UK National Lottery Charities Board, Steven's warmth, accessibility and frank engagement with the issues confronting foundation staff and trustees won him many friends and admirers.

Earlier in the year, Amanda Jordan, then Head of Public Affairs at NatWest Bank and an acknowledged expert on UK corporate social responsibility, spent 10 days in Australia, addressing members in Canberra, Sydney, Brisbane and Melbourne. Amanda's visit was facilitated by the Community Business Partnership, the Department of Family and Community Services and ANZ Charitable Trustees.

The fast growing Australian community foundation sector benefited from a visit by one of the leading international lights in the movement, Jeffrey Yost, Vice-President and Corporate Officer, Nebraska Community Foundation. Jeff's lectures focussed on the phenomenon of community foundations and the community development role they play. Our thanks to the Foundation for Rural and Regional Renewal and the University of Melbourne for the opportunity to present Mr Yost to our members.

The Prime Minister's Community Business Partnership and The Foundation for Young Australians generously provided time in August for our members to meet with their international guest, Douglas Franklin, Executive Director, Multiple Sclerosis Association of America. Douglas's comments focussed on his expertise in social marketing and corporate sponsorship.

Tax Reform

With the introduction of the GST, tax issues loomed large.

In 2000, Philanthropy Australia obtained a private ruling from the Australian Tax Office exempting members' grants from GST.

Millions more dollars per annum were made available for disbursement by charitable foundations, following the Government's decision to allow, from July 2000, excess imputation credits to be refunded to registered charities and tax deductible organisations. This is a measure for which Philanthropy Australia lobbied strongly.

A comprehensive national membership consultation preceded Philanthropy Australia's December submission to the Federal Government's Inquiry into the Definition of Charities and Related Organisations and we await the outcome of the Inquiry, scheduled to report in April 2001. The decision to hold the Inquiry reflects the increasing importance of philanthropy in the contemporary public policy debate.

Philanthropy and Technology

In April Philanthropy Australia, with The Myer Foundation, hosted the first inaugural technology conference for the sector, 'Putting the dot in Philanthropy'. With presentations from international guest speakers Sharon Burns, MacArthur Foundation USA, and Gregory Lanier, Sapient Internet Consulting, the conference focussed on how the Australian philanthropic sector can understand and make best use of the World Wide Web and database development. The conference examined how foundations and the voluntary sector can use the Web to deliver services.

Updated Directory

The Australian Directory of Philanthropy is a highly valued tool for grantseekers, and 2000 marked the production of its tenth edition. The edition has been well received within the voluntary sector with sales of more than 1800 units in the first six months. Its publication coincides with the 25th anniversary of Philanthropy Australia.

Statement of Purpose

Philanthropy Australia is the national membership association of grantmaking family, private, corporate and community trusts and foundations. Its purpose is to advance philanthropy within Australia.

The Association represents the shared interests of trusts and foundations and represents philanthropy to government and the community. Formed as a national body in 1975, it has operated a full-time secretariat since 1996.

Philanthropy Australia's work is funded by membership fees, publications' sales, workshops, research services and consultancies and by the generous support of its members and others interested in promoting more effective private and corporate giving within Australia.

Services include Australia's most comprehensive Resource Centre on philanthropic issues, members' seminars on topics and issues of interest to the sector, publication of the journal, *Philanthropy*, and the bi-annual Australian Directory of Philanthropy, networking and information services for members with special philanthropic interests, lecture series and tours by key national and international speakers, original research on Australian philanthropy and its environment, and advocacy on behalf of members to Federal and State Governments and other major public and private institutions.

The strength of the Association lies ultimately in its membership. The broader the membership base, the greater the potential for Philanthropy Australia to validly and effectively represent the sector.

The Association represents the shared interests of trusts and foundations and represents philanthropy to government and the community.

President's Report



The Year 2000 was my first as President of Philanthropy Australia. I had the pleasure of working with a committed and energetic Council, which devoted considerable effort to policy development and forward planning for the organisation. I would especially like to thank my Vice President, Ben Bodna for his wisdom and guidance at all times. Another important addition to the Administrative Team was the appointment of Ruth Jones, who is our new and extremely effective General Manager. We are delighted to have her with us.

One of the year's most important achievements was the formulation of a Business Plan for the Development of Community Foundations in Australia 2000-2001. Now being implemented, this broad-based strategy aims to support and promote community foundations through a variety of mechanisms: feasibility studies, information provision, networking opportunities and training. Community foundations are a key sector in Australia's philanthropic network and we are committed to supporting their growth.

Membership continued to increase, in part in recognition of the excellent work done by Philanthropy Australia in achieving taxation reform. Success here included obtaining GST exemption on grants made by members of Philanthropy Australia.

The ruling built on Philanthropy Australia's success in lobbying to ensure that from 1 July 2000 the Business Tax System (Misc) Bill 1999 allowed the refund of excess imputation credits to registered charities and tax deductible organisations. Anecdotal evidence is that these changes will make significant additional funds available for grantmaking.

Tax reform will continue to be a major agenda item in the year ahead, ably promoted by National Director Elizabeth Cham, who is a member of the Prime Minister's Tax Sub-committee. Already the Prime Minister has given his in-principle support to a measure extending deductibility of scholarship funds so that these can be treated consistently with school building funds in terms of tax deductible status.

In the international arena, Philanthropy Australia continued to attract interest as an innovative, organisational role model for emerging philanthropic associations. Its work in positioning philanthropy as a public policy issue in Australia and in developing independent income streams has been of particular interest. As a result, Australia is regarded as a leader the international philanthropy – a superb opportunity to showcase the work of our members.

The year saw another significant event – the changing of the guard at the Ian Potter Foundation with the retirement of Executive Secretary Pat Feilman. Pat has been with the Foundation since its inception in 1964. Pat has been a role model and a leader in Australian philanthropy. Her contribution over many years, particularly in the field of conservation and environment, has been exemplary.

For now, my thanks to the Council, staff and members of Philanthropy Australia – I look forward to working with you again in 2001.

A handwritten signature in black ink that reads "Marigold Southey". The signature is written in a cursive, flowing style.

Marigold Southey AM
President

National Director's Report



The restructuring of the Philanthropy Australia secretariat in mid 2000 reflected the increasing complexity and influence of the philanthropic sector in Australia.

In recent years Philanthropy Australia has worked hard to ensure recognition of philanthropy as a key element in the public policy debate. The organisation has had twin objectives:

- Advocacy on behalf of the sector, aimed at creating a legislative, regulatory and financial framework which supports philanthropic giving.
- Developing and delivering information, networking and consultancy services which support our members in their role as grantmakers.

General Manager Ruth Jones was appointed in September. Her focus is on operations, developing and delivering membership services, managing the secretariat and building the capacity of the sector.

As National Director, my role has a public policy focus – advancing Australian philanthropy, leading policy direction and building alliances which will support and contribute to the growth of philanthropy in this country.

The organisation has key external and internal objectives and the new structure is designed to support these more effectively.

Highlights of the year included the private ruling obtained from the ATO which exempted philanthropic grants from GST, two exceptional international speakers in Amanda Jordan and Steven Burkeman, both of whom who ignited debate among those fortunate enough to hear them speak and an extensive, national consultation. The latter sought the views of our members for Philanthropy Australia's submission to the keenly awaited Federal Inquiry into the Definition of Charities and Related Organisations.

The leadership exercised by Australian philanthropy in the international arena became increasingly evident throughout the year. The United States has always been enormously influential, but Australia is now offering an alternative model in grantmaker support. This model – a small, hybrid organisation which interacts with government, uses its expertise to earn revenue for itself and offers services to both grantmakers and grantseekers, in the interests of the former – has a particular resonance with grantmaker associations emerging around the globe. Best of all, representing the Australian model on the world stage brings Australian philanthropy's innovation and diversity to an international audience.

I would like to thank the Council of Philanthropy Australia, whose members gave so generously of their time and expertise in 2000. Special mention must be made of our President, Marigold Southey, whose contribution has been invaluable. May I also acknowledge and thank the staff of the secretariat.

A handwritten signature in cursive script that reads "Elizabeth Cham".

Elizabeth Cham
National Director

Council Members

President

Lady Southey AM

Lady Southey is President of the Myer Foundation and President of St Catherine's School Foundation. A supporter and Honorary Life Member of the Australian Ballet, Life Member of the Nuffield Farming Scholars Association, and a major supporter of Birds Australia, Lady Southey was awarded an AM in 1999 for her service to the community in the support of health care, medical research and the arts. In January 2001 she was appointed Lieutenant Governor of Victoria.

Vice President

Mr Ben Bodna AM

Previously President of Philanthropy Australia for three years, Ben Bodna was Director-General of Community Welfare Services Victoria, and that state's first Public Advocate. Currently Adjunct Professor, School of Disability Studies at Deakin University and a trustee of the Brockhoff Foundation, in 1984 he received the Special Award for Community Service from VCOSS. In 1992 he was awarded an AM for community service. In 1996 the Victorian Council for Civil Liberties recognised him for 'outstanding commitment to the promotion of human rights and freedom'. He is also a former President of Unicef Australia.

Treasurer

Professor Tom Healy

Tom Healy has held appointments at the University of Melbourne as Professor of Physical Chemistry, Dean of Science, President of the Academic Board, and Pro Vice Chancellor. He is currently Deputy Director of the Particulate Fluids Processing Centre at the University of Melbourne. In 1999, he was appointed Professor Emeritus and awarded the Wark Medal for contributions to Science and Technology. He has been a Governor of the Ian Potter Foundation since 1990.

National Director

Ms Elizabeth Cham

National Director of Philanthropy Australia since 1996, Elizabeth Cham is a member of the Prime Minister's Roundtable on Business and Community Partnerships, a Board Member of CIVICUS and a founding member of the International Meeting of Associations Serving Grantmakers.

Mr Ian B. Allen OAM

Ian Allen BEc MBA has been a Board Member of many community organisations. Previously, he worked in the electricity industry and has also been involved in the entertainment industry as a performer, musical director, producer and promoter. Currently secretary of the Australian Entertainment Agents Association and a board member of Youth Assist Inc, which operates the Visy Cares Centre at Dandenong, he received the Order of Australia in 1998 for services to rock music and youth. Mr Allen is a Trustee of The Pratt Foundation, Visy Cares and The Pratt Family Scholarship Fund.

Mr Barry Capp

Barry Capp BE (Civil), BCom, BA is Chairman of National Foods Limited and Australian Infrastructure Fund Limited, Director of Freight Rail Corporation, Melbourne University Private Limited, Tassal Limited, Hellaby Holdings Limited, Melbourne Enterprises International, and Touchcorp Limited. Mr Capp is currently Chair of Trustees of the William Buckland Foundation, and of Trinity College at the University of Melbourne.

Ms Jan Cochrane-Harry

Ms Cochrane-Harry is National Manager Charitable Planning Services with Perpetual Trustees Australia Ltd, Australia's largest collective grantmaker. She has extensive experience in management in the community, public and private sectors and holds an MBA from Melbourne University. Ms Cochrane-Harry has held numerous honorary positions with community based groups and is a current member of the Melbourne Rotary Club and board member of the Old Treasury Reserve Melbourne.

Ms Dur-e Dara OAM

Dur-e Dara is a Melbourne restaurateur, businesswomen and consultant in the hospitality industry. She was the manager and co-owner of the award-winning Stepanie's Restaurant for 20 years. She was also a founding partner of Donovans Restaurant, and now owns and manages in partnership The Nudel Bar, Lip Cafébar, and EQ Cafebar in the Victorian Arts Centre. She is a Director of the Tea Corporation, convenor of the board of the Victorian Womens Trust, and President of the Restaurant and Catering Association of Victoria. Ms Dara is a board member of the Victorian Wineries Tourism Council and Business Matrix Victoria. She was awarded the Order of Australia in 1997.

Dr Tim Duncan

Dr Tim Duncan is Head of Australian External Affairs for the CRA Group. He is responsible for Rio Tinto's External Affairs and Aboriginal Relations program and for the development of its Community Partnership and Community Foundation Programs. Dr Duncan was formerly a journalist with The Bulletin, BRW, and The Australian. He has worked in Victorian state politics and was a policy advisor with the Business Council of Australia.

Mr Peter McMullin

Peter McMullin practices as a solicitor and mediator. He has been a member of the Small Claims, Residential Tenancies, and Commonwealth Refugee Review Tribunals. His extensive community involvement has included board membership of VCOSS and the Action and Resource Centre for Low Income Families. He is Deputy Chairman of the Education Foundation and Chairman of the Melbourne International Comedy Festival Board. He is a member of the Centenary of Federation Victoria Committee, the Victorian Casino and Gaming Authority, the Local Government Best Value Commission and the Council of Victoria University of Technology. A former Deputy Lord Mayor of Melbourne, Peter is a Board Member of the Melbourne Community Foundation. This is his first term on the Council of Philanthropy Australia.

Hon. Warwick L. Smith

Warwick Smith is an Executive Director with Macquarie Bank Limited. A former legal practitioner, he was elected to the Federal House of Representatives in 1984 and served in the Howard Government as Minister for Sport, Territories and Local Government, Minister assisting the Prime Minister for the Sydney 2000 Games, and Minister for Family Services. In 1994, Mr Smith was awarded the Charles Todd Memorial Medal for Communicator of the Year, and in 1999 the Chairman's Award presented by the Australian Telecommunications Users Group.

Executive Committee's Report

Financial Plan and Operating Results

The financial plan and budget adopted by Council at the start of the financial year envisaged another year of expansion, both in terms of the range of activities and services to members and, hence, the required level of resources. The plan and budget were substantially achieved, reversing the shortfall against budget in 1999.

A substantial proportion of this growth was funded by an increase in membership fees, due to growth in membership numbers, and higher than anticipated publications sales. An anticipated government grant was not received, but this did not impact on the financial results, due to higher than anticipated revenues in other areas of the organisation.

Income

Total income for the year was \$801,101, up \$6,810 (0.086%) on last year.

Members' fees increased substantially, (by 216%, up from \$157,508 to \$497,588), as a consequence of the timing of leading members fees, the restructure of full members' fees taking full effect in this financial year, and a small increase in members in all categories.

Directory sales increased substantially, (by 77%, up from \$61,030 to \$108,244), as a direct result of the release of the 10th edition of 'The Australian Directory of Philanthropy'. Grants brought to account during the year amounted to \$81,370, a marked decrease from \$494,580.

An expected grant from the Department of Health and Community Services of \$225,000 was not received. A grant received from Dame Elisabeth Murdoch (\$91,500) and a grant from the Myer Foundation (\$50,000) were capitalised and will be brought to account next financial year.

A net increase of \$32,726 or 40% was recorded in all other sources of income.

Expenses

Total expenses decreased by \$101,444 (12.4%) compared to last year.

Most of the savings occurred in premises' costs where the fitout of the new premises of \$65,358 was capitalised saving 58.5%, general administration expenses (7.2%), particularly local and overseas travel and personnel costs (10.9%). Consultants' fees were reduced by \$90,401 but salaries and on costs increased by \$32,595.

Final Operating Result

The final result for 2000 was a surplus of \$85,866, compared to a deficit of \$22,388 achieved in the previous year. This was a 104.7% increase on the budgeted surplus of \$41,938.

Financial Position and Liquidity

The general Fund Account, representing accumulated members' funds, rose from \$7,725 at the end of the last financial year, to \$93,591 at year end, though the retention of the year's net surplus of \$85,866.

The Future

Philanthropy Australia looks forward to sustained and substantial growth over the next three years.



Elizabeth Cham
National Director

The final result for 2000 was a surplus of \$85,866, compared to a deficit of \$22,388 achieved in the previous year.

Balance Sheet

As at 31 December 2000

	<i>NOTE</i>	<i>2000</i> \$	<i>1999</i> \$
CURRENT ASSETS			
Cash	2	327,146	238,082
Receivables	3	10,707	13,901
Inventory		16,463	11,548
Prepayments		5,948	4,437
		360,264	267,968
NON-CURRENT ASSETS			
Furniture and Equipment	4	70,998	19,095
		70,998	19,095
TOTAL ASSETS		431,262	287,063
CURRENT LIABILITIES			
Creditors and Accruals		95,796	93,370
Subscriptions received in advance:			
Members		42,038	136,667
Journal		-	1,905
Grants and other income received in advance		169,361	21,920
Provisions	5	30,476	25,476
TOTAL LIABILITIES		337,671	279,338
NET ASSETS		93,591	7,725
GENERAL FUND ACCOUNT			
Accumulated funds at the beginning of the year		7,725	30,113
Accumulated surplus/(deficit)		85,866	(22,388)
ACCUMULATED FUNDS AT END OF YEAR		93,591	7,725

Income and Expenditure Statement

For the year ended 31 December 2000

	<i>NOTE</i>	<i>2000</i> \$	<i>1999</i> \$
INCOME			
FEES & SUBSCRIPTIONS			
Members Subscriptions	1,7	497,588	157,508
Consulting Services		59,746	55,000
Interest Received		12,440	9,477
CONTRIBUTION TO PROFIT			
Directory	6	108,244	61,030
Other Publications	6	4,335	6,279
Grantseeker Workshops		2,549	3,442
Resource Centre		24,796	5,982
International Speakers Program Fees		-	1,345
Other Income		10,033	(352)
Grants Received		81,370	494,580
TOTAL INCOME		801,101	794,291
EXPENSES (As per following schedule)		715,235	816,679
OPERATING SURPLUS/(DEFICIT)		85,866	(22,388)
ACCUMULATED SURPLUS/(DEFICIT) AT THE BEGINNING OF THE FINANCIAL YEAR		7,725	30,113
ACCUMULATED SURPLUS/(DEFICIT) AT THE END OF THE FINANCIAL YEAR		93,591	7,725

Income and Expenditure Statement Continued

For the year ended 31 December 2000

	NOTE	2000 \$	1999 \$
SUMMARY OF EXPENSES			
MEMBERSHIP SERVICES			
Philanthropy Journal		19,198	(762)
TOTAL		19,198	(762)
PROMOTION			
Advertising		4,477	485
Annual general meeting		2,333	1,250
Entertainment		1,127	2,590
Public relations		1,565	7,098
Lunch meetings		-	-
Trustees events		4,382	-
TOTAL		13,884	11,423
PREMISES			
Depreciation		27,439	15,697
Insurance		3,300	1,213
Relocation/refurbishment		6,581	73,106
TOTAL		37,320	90,016
GENERAL ADMINISTRATION			
Audit fees		3,000	0
Bad & doubtful debts		51	(225)
Bank charges		4,206	3,504
Catering, venue/equip hire		6,185	6,647
Couriers		4,735	3,207
Credit card fees		471	211
Databases		-	4,645
Flyers: printing/mailing		-	636
Graduate contribution		5,000	5,000
Internet charges		5,601	5,397
Maintenance		270	-
Office equipment		4,308	3,678
Overseas travel/accommodation		22,456	32,673
Postage		12,247	8,123
Print/copying		5,953	8,343
Seminars workshops attended		2,913	8,210
Spirit contribution		10,000	-
Stationery		8,876	7,283
Subscriptions		1,133	6,482
Sundry office expenses		134	203
Telephone/Fax		17,283	15,818
Travel & parking		57,471	65,821
TOTAL		172,293	185,656
PERSONNEL			
Annual leave		(722)	6,765
Casual labour		4,686	6,285
Consultants fees		142,836	233,237
Long service leave		5,722	5,358
Professional development		-	10,000
Salaries		271,582	229,812
Staff amenities		1,522	679
Staff recruitment		1,782	-
Staff training		653	1,060
Superannuation		37,778	31,300
Workcare		6,701	5,850
TOTAL		472,540	530,346
TOTAL EXPENSES		715,235	816,679

Statement of Cash Flows

For the year ended 31 December 2000

	<i>NOTE</i>	<i>2000</i> \$	<i>1999</i> \$
			Inflows (Outflows)
Cash flows from operating activities:			
Receipts from members		402,959	274,271
Receipt from sales of publications		379,958	2,633
Grants received		81,370	494,580
Interest received		12,440	9,477
Payments to suppliers and employees		(722,305)	(766,372)
Net cash provided by operating activities		154,422	14,589
Cash flows from investing activities:			
Purchase of office fitout		(65,358)	-
Net cash used in financing activities		(65,358)	-
Net increase in cash held	12b	89,064	14,589
Cash at the beginning of the year		238,082	223,493
Cash at the end of the year	12a	327,146	238,082

Notes to the Financial Statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of Australian Accounting Standards Board and the requirements of the Associations Incorporations Act Victoria. The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report:

(a) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from Full, Associate and Resource Centre members, is recognised when invoiced. When the payment is received, the portion paid in advance is accounted for as unearned income and amortised over the remainder of the subscription year. Revenue from Leading Members fees are treated as grants received and brought to account as income only when received.

(b) Income Tax

The Association is income tax exempt.

(c) Inventories

Inventories consist of publications and are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any.

(d) Furniture and Equipment

The depreciation rates amount of all furniture and equipment are depreciated on a straight line basis over useful lives of the assets to the association commencing from the time the asset is held ready for use.

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

<i>Depreciation Rate</i>	
Furniture & Fixtures	30%
Office Equipment	30%

The carrying amount of furniture and equipment is reviewed annually by councillors to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

Notes to the Financial Statements Continued

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases

Lease payments under operating leases, where substantial all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Employee Entitlements

Provision is made for the company's liability for the employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal rate. Other employee entitlements payable later than one year have been measured at the present value of estimated future cash outflows to be made for those entitlements. Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

(g) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks, on deposit, and bank bills.

Notes to the Financial Statements Continued

	2000	1999
	\$	\$
2. CASH		
Cash on hand	350	550
Cash at bank	241,796	84,843
Cash on deposit	-	152,689
Bank Bills	85,000	-
	<u>327,146</u>	<u>238,082</u>
3. RECEIVABLES		
Trade Debtors	10,907	14,101
Sundry Debtors	-	-
Provision for doubtful debts	(200)	(200)
	<u>10,707</u>	<u>13,901</u>
4. FURNITURE AND EQUIPMENT		
Office Furniture	78,502	688
Less accumulated depreciation	(17,981)	(688)
	<u>60,521</u>	<u>-</u>
Office Equipment	76,492	74,964
Less accumulated depreciation	(66,015)	(55,869)
	<u>10,477</u>	<u>19,095</u>
	<u>70,998</u>	<u>19,095</u>
5. PROVISIONS		
Provision for annual leave	15,651	16,374
Provision for long service leave	14,825	9,102
	<u>30,476</u>	<u>25,476</u>
6. TRADING ACCOUNT		
	Breakup of 2000 Trading Account	
	Directory	Oth Pubs
Income		
Sales	115,284	18,820
	<u>115,284</u>	<u>18,820</u>
Cost of Sales		
Stock at 1st January	2,876	4,310
Publication costs	9,304	16,065
	<u>12,180</u>	<u>20,375</u>
Stock at 31st December	10,345	6,119
Cost of Goods Sold	1,835	14,256
Gross Profit	<u>113,449</u>	<u>4,564</u>
Expenses		
Distribution costs	5,205	229
	<u>5,205</u>	<u>229</u>
Net Surplus on Trading Account	<u>108,244</u>	<u>4,335</u>
	<u>112,579</u>	<u>67,309</u>

Notes to the Financial Statements Continued

	2000	1999
	\$	\$
7. MEMBERSHIP SUBSCRIPTION		
Leading members fees	290,000	-
Full members fees	163,970	130,342
Associate members fees	43,618	27,166
	497,588	157,508

Revenue from Leading Members fees is treated as grants received and brought to account as income only when payment is received

8. LEASING COMMITMENTS

There are no lease commitments for the year ended 31st December 2000. The offices at Level 10, 530 Collins Street, Melbourne 3000, are generously provided free of charge by ANZ Bank.

9. EVENTS SUBSEQUENT TO REPORTING DATE

Nil

10. RELATED PARTIES

The following persons held office as councillors for the 12 month period ending 31 December 2000, except where stated otherwise.

Lady Southey AM	Mr Ian Allen OAM
Mr Ben Bodna AM	Mr Warwick Smith
Prof Tom Healy	Ms Jan Cochrane-Harry (appointed December 2000)
Ms Elizabeth Cham	Mr Peter McMullin
Mr Barry Capp	Dr Tim Duncan
Ms Dur-e Dara OAM	Mr Graeme Wise (resigned August 2000)
Ms Eve Mahlab (resigned March 2000)	

No remuneration is paid or is payable by Philanthropy Australia to members of the Council, except for the Executive Director.

Other Related Party Transactions

No payments were received by Councillors or their related parties for services provided to the association for the twelve months ended 31 December 2000. No amounts are owed to or by these related parties as at 31 December 2000.

11. SEGMENT REPORTING

The Association operates in the not for profit sector for the advancement of Philanthropy in Australia.

Notes to the Financial Statements Continued

	<i>2000</i>	<i>1999</i>
	\$	\$

12. CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market deposits. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	350	550
Cash at bank	241,796	84,843
Bank Bills	85,000	-
Term Deposit	-	152,689
	327,146	238,082
	327,146	238,082

(b) Reconciliation of Net Cash Provided by Operating Activities to the Operating Surplus/(Deficit)

Operating Surplus/(Deficit)	85,866	(22,388)
Depreciation	27,439	15,697
Increase (decrease) in doubtful debts provision	-	-
Decrease (increase) in receivables	3,194	(10,296)
Decrease (increase) in inventory	(4,915)	(4,202)
Decrease (increase) in prepayments	(1,511)	(1,484)
Decrease (increase) in non-current assets	(79,342)	(14,000)
Increase (decrease) in accounts payable	2,426	77,667
Increase (decrease) in advance membership fees	(94,629)	116,763
Increase (decrease) in advance journal subscriptions	(1,905)	1,255
Increase (decrease) in unearned income	147,441	(153,080)
Increase (decrease) in provision for employee entitlements	5,000	8,657
	89,064	14,589
	89,064	14,589

(c) The Association has no credit stand-by or financing facilities in place

Notes to the Financial Statements Continued

13 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Association's exposure to interest rate risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

FINANCIAL ASSETS	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate			
					Within 1 Year		1 to 5 Years	
	2000	1999	2000	1999	2000	1999	2000	1999
	%	%	\$	\$	\$	\$	\$	\$
Cash	4.84	3.95	327,146	238,082	-	-	-	-
Short Term Deposits	-	5.40	-	152,689	-	-	-	-
Bank Bills	6.29	-	-	-	85,000	-	-	-
Debtors	0	0	10,707	13,901	-	-	-	-
TOTAL FINANCIAL ASSETS	-	-	337,853	404,672	85,000	-	-	-
FINANCIAL LIABILITIES								
Creditors	0	0	88,301	93,370	-	-	-	-
Income in Advance	0	0	211,399	160,492	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	-	299,700	253,862	-	-	-	-

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the association.

(c) Net Fair Values

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Statement by Members of the Council

In the opinion of the Council the financial report as set out on pages 9 to 12 presents fairly the financial position of Philanthropy Australia Inc. as at 31 December 2000 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncement of the Australian Accounting Standards Board.

At the date of this statement, there are reasonable grounds to believe that Philanthropy Australia Inc. will be able to pay its debts as and when they fall due.

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



Lady Southey AM
President



Professor Tom Healy
Treasurer

Certified by Members

I, Lady Southey of 62 Clendon Road, Toorak VIC 3143, and I, Ben Bodna of 35 Flowerdale Road, Glen Iris VIC 3146 certify that:

- We are members of the council of Philanthropy Australia Inc.
- We attended the annual general meeting of the association held on 26 April 2001
- We are authorised by the attached resolution of the committee to sign this certificate.
- This annual statement was submitted to the members of the association at its annual general meeting.

Dated this 15th day of March of 2001



Lady Southey AM
President



Mr Ben Bodna AM
Vice President

Independent Audit Report

McINNES, GRAHAM & GIBBS

CHARTERED ACCOUNTANTS

JOHN L.C. MINNES
JEFFREY E. GRAHAM
DAVID I. GIBBS
MICHAEL J. HUNTINGTON
DAVID J. REED

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PHILANTHROPY AUSTRALIA INC

Scope

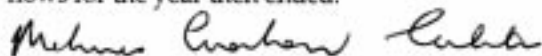
We have audited the financial report of Philanthropy Australia Inc. for the year ended 31 December 2000 comprising the Balance Sheet, Statement of Income and Expenditure, the Statement of Cash Flows and the Notes to the Financial Statements. The Committee is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of Philanthropy Australia Inc. as at 31 December 2000, and the results of its operations and its cash flows for the year then ended.



McInnes Graham & Gibbs
Chartered Accountants



DI Gibbs
Partner

Date: 15th March 2001

Members List

AAMI
George Alexander Foundation
AMP Foundation Ltd
The Andrews Foundation
Anti-Cancer Council of Victoria
ANZ Executors & Trustee Co Ltd, Vic
ANZ Staff Foundation
The Asthma Foundation of NSW
Australia Business Arts Foundation
Australia Foundation
Australia Post
Australian Refugee Foundation
Australian Rotary Health Research Fund
Australian Sports Foundation
BT Financial Group
The Percy Baxter Charitable Trust
Benevolent Society of NSW
Besen Family Foundation
BHP Community Trust
The Body Shop
Bokhara Foundation
The Jack Brockhoff Foundation
The William Buckland Foundation
The Calvert-Jones Charitable Foundation
L.E.W. Carty Charitable Fund
Clean Up Australia
Coca-Cola Amatil
Colonial Foundation Ltd
Community Business Partnership
The Crawford Fund
The Dafydd Lewis Trust
Danks Trust
Education Foundation
Education Trust
Esso Australia P/L & Mobil Oil
The Feilman Foundation
The Felton Bequest
Foundation for Aged Care
The Foundation for Young Australians
The Foundation for Development Cooperation
Freehills
The Garvan Research Foundation
The Gandel Charitable Trust
The Bobby Goldsmith Foundation
The Hammond Care Group NSW
Himalaya Foundation
The Ern Hartley Foundation
Heart Research Institute
Inspire Foundation
The Invergowrie Foundation
JLF Group of Companies
A.L. Lane Foundation
Law Foundation of NSW
The Flora & Frank Leith Charitable Trust
Lend Lease Management Services Ltd
The Leukaemia Foundation of Australia Ltd
Lion Fund
Lord Mayor's Charitable Fund
Lotteries Commission of W.A.
The Lumbu Foundation
Macquarie Bank Ltd
Mayne Nickless Ltd
Ronald McDonald House Charities
H.V. McKay Charitable Trust
Melbourne Community Foundation
Microsearch Foundation
The Miller Foundation
Mission Australia
Mitsubishi
Monash University
The Myer Foundation
Sidney Myer Fund
National Foods Limited
National Foundation for Australian Women
National Heart Foundation of Australia
The Northcott Society
Perpetual Trustees Australia Ltd
Pethard Tarax Charitable Trust
The Ian Potter Foundation
The Pratt Foundation
The Queensland Community Foundation
The R.A.C.V. Foundation
Bruce & Ruth Redpath
Lance Reichstein Charitable Foundation
Rio Tinto Services Ltd
RMIT Foundation
R.E. Ross Trust
Royal Botanic Gardens Melbourne
Foundation for Rural & Regional Renewal
Rusden Foundation
Sabemo Trust
Sir Albert Sakzewski Foundation
Helen M. Schutt Trust
Shell Australia Ltd
The Smith Family
The Jack & Robert Smorgon Families Foundation
Soundhouse Music Alliance
Sony Australia Ltd
Fleur Spitzer
The St. James Ethics Centre
The State Library of NSW Foundation
The State Library of VIC Foundation
State Trustees Ltd
The Stegley Foundation
Sunshine Foundation
Sydney Symphony Orchestra
Tabcorp Holdings Ltd
Tasmanian Museum & Arts Gallery
Telematics Course Development Fund Trust
The Thomas Foundation
R. & J. Uebergang Foundation
United Way Australia Ltd
The University of Melbourne, (Alumni Office)
University of South Australia
University of Tasmania Foundation
University of Western Australia
Variety Clubs of Australia
Victorian Health Promotion Foundation
Victorian Medical Benevolent Association Inc
Victoria University of Technology Foundation
Victorian Womens Trust Ltd
Sylvia & Charles Viertel Charitable Foundation
Vision Australia Foundation
J.B. Were Charitable Fund
Westfield Foundation
Westpac Banking Corporation
Alexander Wright Wales Memorial Scholarship
The Norman Wettenhall Foundation
The Hugh Williamson Foundation
Zoological Parks & Gardens Board

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Patron

Sir Gustav Nossal AC CB