



ANNUAL REPORT 2020

www.philanthropy.org.au

Corporate Information

Philanthropy Australia

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Website

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Melbourne

Level 2, 55 Collins Street
Melbourne VIC 3000

Sydney

44 Market Street
Sydney NSW 2000

Adelaide

Level 5, 100 Pirie Street
Adelaide SA 5000

Brisbane & Perth

Home Offices

National

1300 511 500

Patrons

Sir Gustav Nossal AC CBE
Lady Southey AC

Board

(as at Dec 2020)

Co-Chair Ms Ann Johnson

Co-Chair Ms Amanda Miller

Board Members

Ms Kirsty Allen

Mr Michael Barr

Ms Lisa George

Ms Tabitha Lovett

Mr Jon Cheung

Mr John McLeod

Mr Joseph Skrzynski AO

Ms Jenny Stephens

Ms Caroline Stewart

Ms Stacey Thomas

Mr Craig Winkler

With thanks to our departing Member in 2020

Ms Genevieve Timmons

Board Observer

Emmeline McIlree

Key Governance Personnel

Company Secretary

Mal Lewis

Staff

(as at 31 Dec 2020)

Executive

CEO Sarah Davies AM to 31 Dec 2020

Jack Heath started Jan 2021

Executive Support Officer

Jessica Friedman

Membership Services

National Membership Director

Judy Foster

State Manager SA & WA

Sophie Doyle to Sep 2020

Amanda Goodfellow (SA) Feb 2021

Dylan Smith (WA) Feb 2021

State Manager NSW & ACT

Vicki Norton

State Manager QLD & NT

Sue Fisher to May 2020

Genevieve Atkinson Feb 2021

State Manager VIC & TAS

Patricia Burke OAM

Membership Administrator (VIC & TAS)

Anna Marinovich

Membership Administrator (NSW & ACT)

Kate Sayeg

Team Administrator (NSW & ACT)

Molly Clifton

Peer Networks & Programs Officer

Christine France

Policy & Research

Policy & Research Director

Sarah Wickham to Dec 2020

Policy Advisor

Krystian Seibert

Policy Officer

Isabella Olsen

Marketing & Communications

Marketing & Communications Director

Megan Hannan

Storyteller

Nick Richardson

Senior Marketing Officer

James O'Callaghan

Marketing Officer

Sarah Ramantanis

Programs & Content

Programs & Content Director

Giselle Pinto

Senior Programs Officer

Sarah Sorola

Content & Learning Officer

Lynne Umbers

Finance & Operations

Chief Operating Officer

Mal Lewis

Finance & ICT Officer

Anantha Vedavatha

CRM Projects

Hitesh Sharma

Partnerships Executive

Sandra Makris

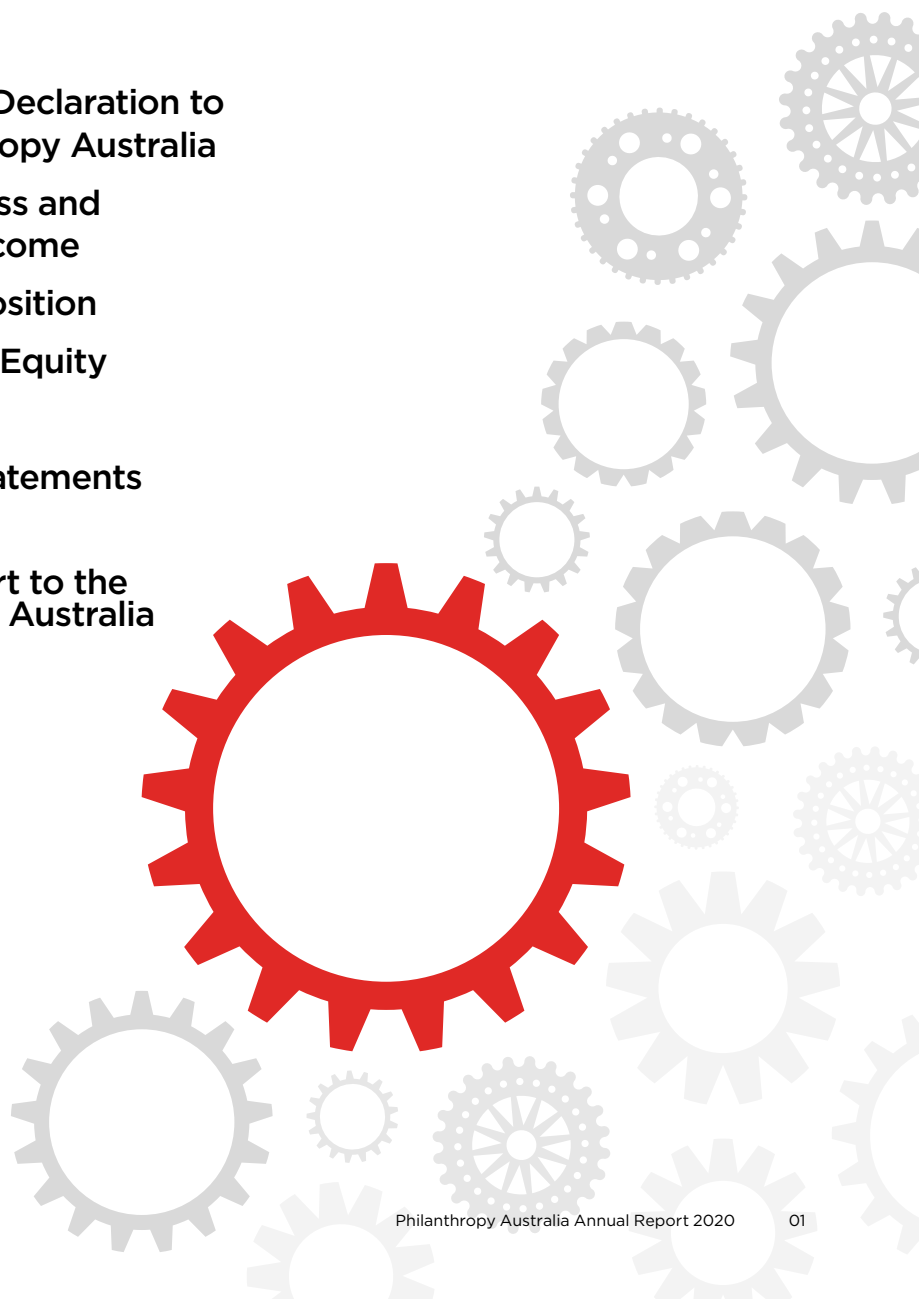
* All staff and Board biographies can
be found at [www.philanthropy.org.au/
about-us](http://www.philanthropy.org.au/about-us)

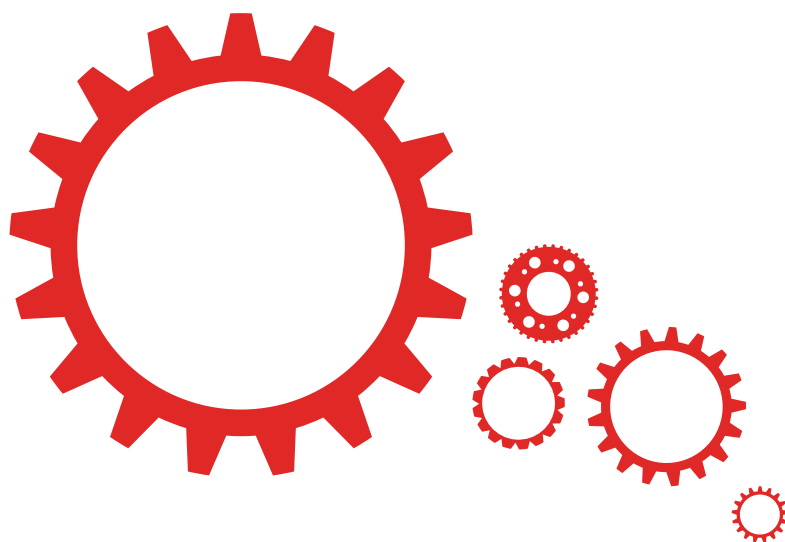
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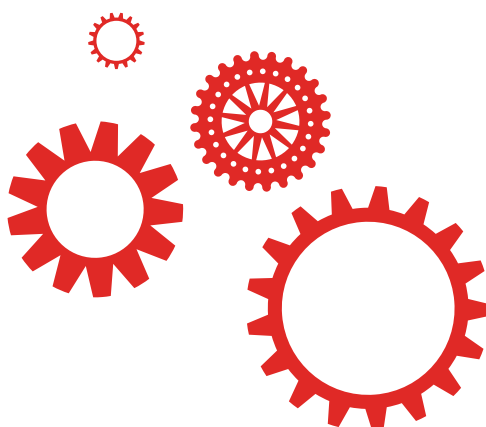
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**Serving the community
to achieve more and better
philanthropy.**



Co-Chairs' Report



Amanda Miller, Co-Chair



Ann Johnson, Co-Chair

2020 will be inked into the collective memory of Australians forever. The profound challenges of the past twelve months that began with the Black Summer fires and were soon followed by the myriad of impacts of COVID-19, have tested our community like never before. A year later, we are coming to terms with the way these events have reshaped how we live, work, and give.

As the challenges mounted in 2020, Philanthropy Australia continued its work to drive more and better philanthropy, exploring new and innovative ways to connect and support our members and the charitable sector through the depth of the crisis.

As Co-Chairs of Philanthropy Australia, we were buoyed by our philanthropic community doing what it does best – standing up and responding to the emerging and evolving needs of a crisis, with unparalleled swiftness, generosity, and flexibility.

In April, Philanthropy Australia issued a call to action, releasing a public statement outlining eleven key principles for philanthropy funders to adapt within their own funding priorities to support grantees and partners. More than 50 philanthropists and philanthropic organisations signalled their commitment by signing on to the statement, and as the months passed, the commitment of those funders and the broader sector became evident on the ground, with funders supporting grantees and essential services and programs at the time it was needed the most.

As we began to look forward to recovery and rebuilding, we released our *Policy Priorities for a Post COVID-19 Australia*, laying out a clear pathway to ensure we have the incentives, frameworks and regulations in place to encourage more and better philanthropy and to strengthen our charitable sector.

It was entirely appropriate in a digitally-focused year that we embraced an online celebration of the Australian Philanthropy Awards that enabled us to still celebrate bold, generous, and best-practice philanthropy. We were honoured to share stories of some of the incredible funding initiatives and programs that delivered lasting impact, and we look forward to sharing the case studies of some of these programs over the coming year.

Like many other boards of not-for-profit organisations, Philanthropy Australia's Board worked hard to ensure our organisation could continue its work supporting members and being a voice for philanthropy during a year of great uncertainty. We thank all our Directors for their dedication.

The heart, soul, and driving force behind Philanthropy Australia's continued success are our members. The commitment of our members shone brightly even in the darkest moments of the year, and we are grateful to you for your ongoing support.

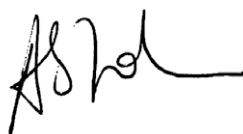
Our work to pursue our mission and vision is underpinned by the generous and strategic support of our Philanthropy Champions, and we thank each of the Champions who continued to provide critical assistance to our work throughout the year.

In December, we farewelled our CEO Sarah Davies after five years of outstanding leadership. On behalf of the Board, we thank Sarah for her passionate and inspirational leadership, and welcome our new CEO Jack Heath, who brings with him a wealth of experience, knowledge, and heart.

We look forward to the next chapter in Philanthropy Australia's evolution, and to working with Jack and the team on the mission of growing and inspiring more and better giving in Australia.



Amanda Miller
Co-Chair



Ann Johnson
Co-Chair

Chief Executive Officer's Report



There has never been a more important time for Australian philanthropy than now. Our world was already in a spin well before the bushfires and COVID-19 came on to the scene at the beginning of the year. Trust in our institutions continues to decline and our planet remains under existential threat. The democratic project is at risk in countries previously bastions of democracy. Rates of mental ill-health are on the increase. There's growing inequality across societies. Fearful, we increasingly seek refuge in tribe in a way that diminishes a sense of our common humanity. This report demonstrates just how well Philanthropy Australia and our members responded to these huge challenges in 2020.

Thankfully, there is good reason to be hopeful. People are coming into their own power like never before. There's an increasingly assertive voice from our First Nations brothers and sisters. Women are speaking to, and breaking down, a system and culture that has failed to exercise the most basic levels of respect. Philanthropists are stepping up to the plate. And while COVID-19 forced many of us to slow down and come to appreciate the things closest to us – family, friends, neighbours and our local community – its ongoing impact will be varied and very tough for far too many.

Against this backdrop, it's such a great honour and responsibility to lead Philanthropy Australia at this critical time. I look forward to working with the wider PA team – our staff, board, members and supporters – as we build on the great legacy of Sarah Davies and others whose stellar contribution is detailed in this report.

One note to add is that due to the combination of accounting reporting requirements, JobKeeper payments, and deferred expenditures due to COVID, we showed a significant surplus for 2020. In 2021, we will incur the delayed expenditures and then reinvest the remaining surplus in the business with a view to showing a slightly better than break-even result over the two years 2020 and 2021.







A key highlight of the year will be the launch of our Blueprint for philanthropy which will set an ambitious goal to double the level of structured giving to \$5 billion in the year 2030. This carries with it a lead advocacy role to Government and the building of a coalition of supporters to back the Blueprint initiatives as we move to Stage Two of the project. Alongside this quest to deliver more philanthropy, we will continue to provide the thought leadership and opportunities for members to learn and collaborate to help ensure their giving is targeted, strategic and effective. And we will continue to champion and celebrate the outstanding philanthropy of so many Australians who give so generously and provide inspiration to their peers.

Here's to more and better philanthropy in 2021!

A handwritten signature in black ink, appearing to read 'Jack Heath'.

Jack Heath
Chief Executive Officer

2017-2021 Strategic Plan

More & Better	Objectives
 Leadership & Advocacy	<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.
 Connecting & Convening	<ul style="list-style-type: none"> To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business.
 Data & Insight	<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.
 Professional Learning & Services	<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.
 Better Giving Hub	<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.
 Organisation Effectiveness	<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.

Outcomes

- 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.
-
- 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.
-
- 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.
-
- 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.
-
- 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.
-
- 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.
-

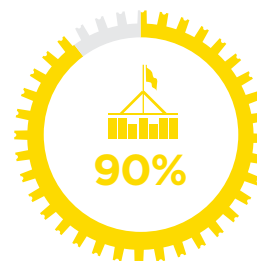
2020 Action Plan Achievements



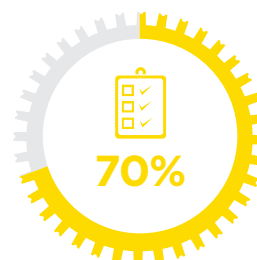
LEADERSHIP AND ADVOCACY

Provide an informed and prominent voice for the sector.

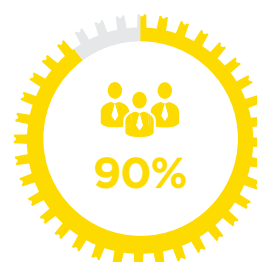
- Played a key role in shaping the Federal Government's policy responses to COVID-19, in terms of initiatives specifically aimed at the NFP sector and philanthropy; registered charities inclusion in JobKeeper and incentives for greater PAF distributions.
- Launched 'Policy Priorities for a Post COVID-19 Australia' in August, ahead of the October Budget.
- Partnered with Social Ventures Australia, consulted with a broad range of stakeholders to determine the priorities for the Blueprint to Grow Structured Giving in Australia. Initiatives to be launched at National Conference in April 2021.
- Hosted roundtables, discussion groups with the ACNC Commissioner, Treasurer, ATO, state and federal ministers, shadow ministers and our members.
- Participated in the ATO's NFP Stewardship Group and the ACNC's User Forum.
- Delivered two online Annual Policy Roundtables.
- Provided regular COVID-19 policy and advocacy updates to members.
- Sought member engagement for submissions PA made in relation to charitable fundraising regulation (September) and deductible gift recipient reform (December).
- Virtual Australian Philanthropy Awards Ceremony in November showcased best practice philanthropy to Australian and global audience.
- Strong support and engagement from our Philanthropy Champions on the PA policy platform and major projects and initiatives.
- Champions briefing from ACNC Commissioner and a post-budget meeting with the Assistant Minister for Charities.
- Progressed a strong traditional, digital and social media presence with 50 per cent growth in media footprint through strategic engagement.



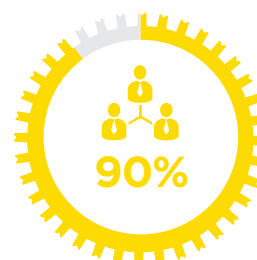
Inform and shape the policies, regulations and incentives to grow philanthropy and its impact.



Develop a strategy for philanthropy in Australia, engaging across sectors to develop a Blueprint and action plan to grow the scale, participation in and impact of philanthropy.



Enhance relationships between Philanthropy Australia and government, policy makers and elected representatives.



Engage with Members to seek their views on policy issues affecting philanthropy. Inform and update our members on policy developments and other trends.



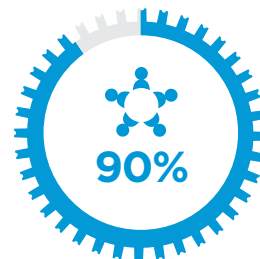
Actively pursue 3 of the Top 10 Policy Agenda priorities with government and sector partners.



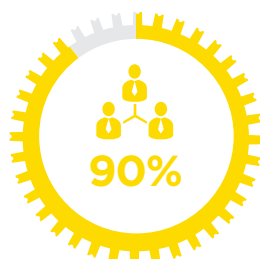
CONNECTING AND CONVENING

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

- Shared international best practice via two national Thought Leadership events, featuring Emily Tow (Tow Foundation) and Kathy Reich (Ford Foundation).
- Delivered seven webinars focused on advancing philanthropic practice.
- Delivered full series of Rapid Response and Back Better Together online peer networks, enabling shared learning and collaboration in response to the pandemic.
- 47 editions of Philanthropy Weekly delivered to members.
- Ongoing communications to keep members informed and supported during COVID-19.
- Dedicated COVID-19 resource hub delivered to support funders and not-for-profits.
- Monthly New Gen updates, and New Gen focused lunch networks and 'Time, Treasure, Talent' events hosted in second half of the year.



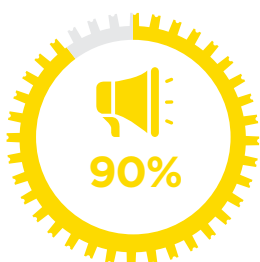
Engage members to deepen their knowledge, share experiences and learning and enable collaboration through delivery of a national events and engagement program.



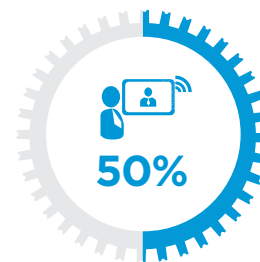
Recognise and celebrate best practice and exceptional leadership through running an Australian Philanthropy Awards program.



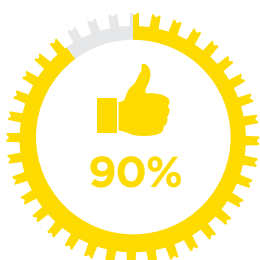
Keep all members informed and up to date with current activities, events, developments and trends.



Build a coalition of Champions that provides voice, influence, peer access and financial support to provide greater capacity to advance the practice of philanthropy.



Implement the New Gen strategy and program to build New Gen engagement and giving.



Build awareness of the role and contribution of philanthropy in society through strategic media engagement.

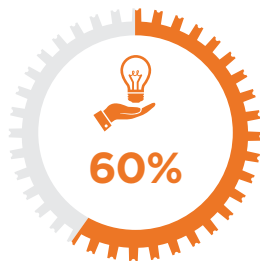
2020 Action Plan Achievements



DATA AND INSIGHT

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

- Data representing over 14,860 grants contributing over \$984m for social and environmental good shared in Foundation Maps: Australia.
- Continued growth in the number of foundations represented on the map.
- Presentations on Foundation: Maps Australia delivered to members and external organisations throughout the year.
- Conducted two grant-maker surveys (May and August) to better understand how the community of funders was responding to the pandemic circumstances, and track and support the changing shape of giving.



Grow the use of Foundation Maps and encourage data uploads to provide valuable insights into structured giving in Australia.



PROFESSIONAL LEARNING AND SERVICES

Build the capacity of the sector through knowledge and professional development:

- National Conference postponed due to COVID-19 restrictions, will be delivered as an interactive online event over four days in April and May 2021.
- Delivered one Professional Learning Program workshop in Quarter 1 (pre-COVID-19).
- Commissioned external review of Professional Learning Program, to be formally reviewed in mid-2021.
- National content strategy and approach confirmed, on track to articulate plan and map content against different channels in 2021.



Challenge, inspire and provoke thinking to influence and advance philanthropic practice by hosting a national conference that brings together the world's best philanthropic minds with local practitioners at all levels.



Strengthen the philanthropic sector's professional capacity through the Professional Learning Programs and key partnerships.



Support, research, and monitor the continuing evolution of the practice of philanthropy in Australia to inform best practice content and programs for members.

2020 Action Plan Achievements



BETTER GIVING HUB

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

- Increased use of Better Giving Hub across membership.
- Membership Renewal process 2020 completed digitally through the Better Giving Hub.
- Updated and expanded Advocacy section of the Better Giving Hub in second half of year.
- Continued development of member-only resource materials within the Better Giving Hub.
- Positive feedback from members on value of Better Giving Hub resource.
- Inclusion of Better Giving Hub tour in new member inductions to familiarise new members with access, tools and resources.
- Integrated content planning to better connect content across the Better Giving Hub and public website.
- Regular news, stories, podcast and resource content added to public website.
- Scoping underway to redevelop Better Giving Hub and public website in 2021.



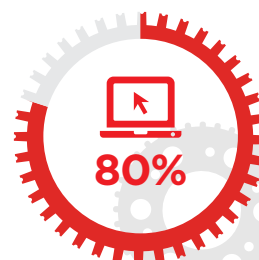
Grow use of and contributions to the Better Giving Hub, providing members with enriching content for their continued philanthropic knowledge, practice and learning as an extension to the public content available on our website.



Build member usage and familiarity with the Better Giving Hub.



Scope and deliver Phase 2 of the Better Giving Hub to enhance functionality.



Ensure public website is up-to-date, relevant and easily navigable.



ORGANISATION EFFECTIVENESS

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

- The Philanthropy Australia Board met more frequently to address immediate COVID-19 impacts and response plans.
- Senior Management and Board worked closely together during pandemic to provide updates, provide forecast reviews and understand and manage possible financial and staff impacts.
- Implemented six-month temporary HR recruitment freeze during pandemic.
- Sound expense management and budget control during COVID-19 led to a sound budget outcome.
- All staff set up and working remotely within a week when COVID-19 restrictions commenced.
- Supported staff during remote working through weekly all-staff check ins, regular individual manager check-ins and access to confidential EAP support.
- Winner in VOICE Project's Best Workplace Awards for 2020.
- Continued improvement and upgrades of IT systems and security.
- Digital tools expanded to meet changing business needs for expanded online delivery.
- Ongoing development of CRM delayed due to COVID-19 impact on resources.



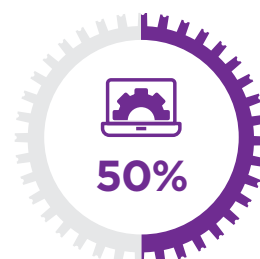
Ensure the financial stability of Philanthropy Australia through strong financial and budget controls and planning.



Attract, motivate and retain a talented, high performing staff by providing a strong, healthy culture.



Achieve longer-term financial sustainability by securing budgeted donation, grant and sponsorship targets, and develop and maintain a pipeline of future funding prospects.



Ensure IT & CRM infrastructure, systems and software are meeting and supporting business requirements securely and accurately.



Develop an effective data capture and evaluation culture and the processes for reporting and continual learning.



Provide a stable and effective governance structure in full compliance with regulatory and statutory requirements.

Partnership Acknowledgements 2020

We would like to acknowledge the generous and valuable support from the following individuals and organisations in 2020 and thank them for their partnership.

OFFICES

Adelaide:

The Wyatt Trust

Brisbane:

Tim Fairfax Family Foundation

Melbourne:

ANZ

Sydney:

Westpac

STRATEGIC CAPACITY BUILDING PARTNER

Paul Ramsay Foundation

PHILANTHROPY CHAMPIONS

ANZ

Barr Family Foundation

Collier Charitable Fund

English Family Foundation

Fay Fuller Foundation

Gandel Philanthropy

Helen Macpherson Smith Trust

Herbert Smith Freehills

Macquarie Group Foundation

McLeod Family Foundation

Paul Ramsay Foundation

Perpetual

The Caledonia Foundation

The Ian Potter Foundation

The McLean Foundation

The Ross Trust

The Sky Foundation

The Snow Foundation

The William Buckland Foundation

The Wyatt Trust

Tim Fairfax AC

Trawalla Foundation

Vincent Fairfax Family Foundation

W & A Johnson Family Foundation

Wheelton Philanthropy

AUSTRALIAN PHILANTHROPY AWARDS 2020

Better Philanthropy Award Sponsor

Macquarie Group Foundation

Bolder Philanthropy Award Sponsor

JM Philanthropy (Grant Toolbox)

Community Philanthropy Award Partners

Australian Communities Foundation, Australian Community Philanthropy, the Foundation for Rural and Regional Renewal and Lord Mayor's Charitable Foundation

Environmental Philanthropy Award Partner

Australian Environmental Grantmakers Network

Gender-wise Philanthropy Award Partner

Australians Investing in Women (formerly Australian Women Donors Network)

Indigenous Philanthropy Award Partner

Ninti One

International Philanthropy Award Partner

Australian Council for International Development and Australian International Development Network

BETTER GIVING HUB

Gandel Philanthropy

BLUEPRINT FOR PHILANTHROPY

Paul Ramsay Foundation

Perpetual

**NATIONAL THOUGHT
LEADERSHIP (EMILY TOW)**

The Australian Centre for
Social Innovation and Perpetual

**NATIONAL THOUGHT
LEADERSHIP (KATHY REICH)**

Paul Ramsay Foundation

GENERAL SUPPORT

Rendere Trust

**2020 ANNUAL
GENERAL MEETING****Secretary**

Nicolas Crowhurst,
Collaboratus Group

BOARD MEETING HOSTS

Macquarie Bank

OPERATIONAL PARTNER

IT Strategic

Board Members' Report

For the Year Ended 31 December 2020

The Board of Philanthropy Australia submits the financial report for the year ended 31 December 2020.

BOARD MEMBERS

The Board member names throughout the year (and at the date of this report) are listed below.

Eight Board meetings were held during the financial year. Three additional meetings were held to address COVID-19 concerns, impacts and planning for contingencies.

Attendances by Board members were as follows:

	Appointed/Resigned	Board Meetings	
		Number eligible to attend	Number attended
Amanda Miller		8	8
Ann Johnson		8	8
Caroline Stewart		8	8
Craig Winkler		8	8
Genevieve Timmons	Retired 6 May 2020	4	4
Jennifer Stephens		8	8
John McLeod		8	8
Joseph Skrzynski AO		8	6
Jon Cheung	Appointed 6 May 2020	5	5
Kirsty Allen		8	7
Lisa George		8	7
Michael Barr		8	7
Stacey Thomas		8	8
Tabitha Lovett		8	8

In 2020, Philanthropy Australia held three additional Board meetings to plan, monitor and adapt to the changing circumstances caused by the COVID-19 pandemic.

Philanthropy Australia has 3 Board appointed committees that meet periodically throughout the year. The regular committees and members as at 31 December 2020 were as follows:

Finance, Audit, Risk & Compliance

John McLeod (Chair), Caroline Stewart, Kirsty Allen, Jon Cheung, Michael Barr and Alecia Rathbone.
Jay Bonnington (left May20)

Governance & Nominations

Ann Johnson (Chair), Amanda Miller and Jenny Stephens.

Policy & Research

Joe Skrzynski AO (Chair), Robert McLean AM, John Daley, Tabitha Lovett, Stacey Thomas, Josephine Barraket, Peter Winneke and Krystian Seibert.

INFORMATION ON BOARD MEMBERS

Background information of our Board members can be located on our website;

<http://www.philanthropy.org.au/about-us/Board/>

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

Vision and Purpose

Philanthropy Australia (PA) 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; and
- providing information to those seeking to understand, access or partner with the philanthropic sector.

The organisation works nationally across Australia from locations in Melbourne, Sydney, Adelaide and Brisbane.

Membership fees, professional development and learning fees, consulting 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 (extended by a year in 2020 to finish December 2021), outlined below.

2021 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.

Board Members' Report continued

For the Year Ended 31 December 2020

Key Financial and Performance results for year-ended 2020

The past year has presented many challenges for Philanthropy Australia. The year commenced with the escalation of the Black Summer Bushfires across the country soon followed by the onset of the COVID-19 pandemic. In response, the Board held 3 additional meetings from April to June to address the impacts for philanthropy and on PA's own resourcing and planned activities. Face-to-face membership services and paid events were moved online; and the national 2020 Conference was postponed to 2021. The impact on Philanthropy Australia's income stream, and changing cost base, were closely monitored. Philanthropy Australia took a leadership role in advocating to ensure the inclusion of the charity sector in government support packages, including a lower threshold for the JobKeeper program which supported many for-purpose organisations. The receipt of JobKeeper by Philanthropy Australia enabled the retention of current staff. As a result, PA's activities for member servicing, government engagement and policy work, and online member engagement adapted to the changed environment and continued to meet and advance the needs of our membership and the philanthropic sector.

Members turned to their sector leader Philanthropy Australia, and we saw good results during our renewal period. Membership fee income increased to \$1.224 million (FY19 \$1.190 million) as overall membership numbers grew 5%.

MEMBERS	2020	2019	2018	2017	2016
Members at year end	764	726	640	665	795
Member Stats					
Number of new members	119	136	141	87	158
Number of continuing members	557	533	462	495	478
New Gen members	52	57	37	83	159

Philanthropy Australia's ongoing partnerships combined including support for the Philanthropy Conference 2020, meant that key strategic projects, member and thought-leader events, and the Australian Philanthropy Awards were almost fully funded.

Our 23 philanthropy leaders, Philanthropy Champions, provide Philanthropy Australia with capacity funding to develop our ongoing Advancing philanthropy with a clear government policy agenda, research and advocacy strategies. In 2020, Philanthropy Champions provided \$535,000 of capacity funding. This funding also provided stability to the organisation and enabled highly engaged policy and advocacy work through both the bushfire and pandemic periods both for our members and for the wider philanthropic sector.

At the end of 2020, Philanthropy Australia had an unrestricted surplus from normal operations of \$345,917 (FY19 \$3,993 loss), excluding restricted funds tied to future years projects and partnerships. The receipt of the JobKeeper payment enabled staff resourcing to remain steady, which then contributed to achieving many of our planned goals and a surplus result.

Philanthropy Australia also received funds restricted for our PA Chapter networks, partnerships and projects tied to specific purposes or for future years, a surplus of funds in 2020 of \$345,682.

Together, they constitute the 2020 end of year surplus position of a \$691,599 (FY19 \$449,636).

The 2020 budget was structured to allow Philanthropy Australia to efficiently and effectively deliver on its strategic priorities. In 2020, we saw an increase in our Policy & Advocacy expenditure. The pandemic saw a shift in delivery, and as a result, a change in our cost base for member services and event delivery although we had greater engagement with our members in an online environment. We saw savings against initial budgets across the organisation (including a temporary hiring freeze for 6 months).

PROFIT & LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

Revenue and Expenditure by Type & Strategic Activity

	Restricted \$	Unrestricted \$	2020 \$	2019 \$
INCOME				
Connect & Convene – Membership Services	60,000	1,277,307	1,337,307	1,625,139
Leadership – PA Awards, Conference, Champions	-	645,000	645,000	1,105,332
Policy, Advocacy, Data & Research	75,000	9,000	84,000	202,393
Professional Learning	-	94,224	94,224	149,388
Philanthropic services	-	-	-	40,722
PA Chapter Networks & Collaboration grants	2,348,814	29,500	2,378,314	774,250
Governance & Operations	-	724,330	724,330	261,165
Total Income	2,483,814	2,779,361	5,263,175	4,158,389
EXPENDITURE				
Connect & Convene – Membership Services	(17,251)	(1,072,950)	(1,090,200)	(1,237,951)
Leadership – PA Awards, Conference	(64,700)	(143,501)	(208,201)	(386,637)
Policy, Advocacy, Data & Research	(97,245)	(353,919)	(451,164)	(363,535)
Professional Learning	-	(60,387)	(60,387)	(147,715)
Philanthropic services	-	-	-	(53,622)
PA Chapter Networks & Collaboration grants & costs	(1,958,937)	-	(1,958,937)	(764,125)
Governance & Operations	-	(802,687)	(802,687)	(755,167)
Total Expenses	(2,138,132)	(2,433,444)	(4,571,576)	(3,708,753)
Total Surplus (Deficit)	345,682	345,917	691,599	449,636

In 2021, Philanthropy Australia will run a break-even budget with expanded programs and projects to ensure reinvestment of surplus into underlying systems (such as our website and Better Giving Hub development), increased membership programs (such as the Communities of Practice programs) and partnership grants.

Philanthropy Australia had several collaborative partnerships with aligned organisation to advance philanthropic learning and understanding and improve practice and encourage more giving. These included the Social Impact Hub, the Pride Foundation (national GiveOut day) and Australian Progress to support the NEXUS conference.

In 2020, Philanthropy Australia announced a 3-year partnership with the Paul Ramsay Foundation to support new and ongoing initiatives that develop philanthropic learning and practice for PA members and the wider community.

Philanthropy Australia was also pleased to partner with the Paul Ramsay Foundation's stage 1 Funding for Impact/Creating Partnerships for Potential: 'Peer to Peer' Participatory Grants program with the successful distribution of \$750,000 of grants in 2020. In 2021 we will provide support for stage 2 of this program. Philanthropy Australia has received funding of \$1.3 million (within Grants in Advance on our balance sheet) and PA will distribute grants to recipients in 2021 when the program completes.

Board Members' Report continued

For the Year Ended 31 December 2020

Philanthropy Australia expanded its Funder Chapter networks from two to five in 2020, focused on the development of better practices around giving for specific purposes. Donations and grants received to support the work of these PA Chapter networks totalled \$1.1 million.

Total funds received for these partnerships and Chapter networks were \$2.348 million. Philanthropy Australia redirected \$1.958 million of these funds (after a small service fee) as grants and to pay costs supporting partnerships programs and Chapter networks to provide for more and better philanthropy in the future.

Philanthropy Australia's redeveloped business model helps better achieve the 2017-2021 strategic goals and build financial sustainability. The business model identifies two symbiotic components:

1. **Serving Members** – in relation to strategic priorities of connecting and convening, our national Philanthropy Conference or Philanthropy Meets Parliament Summit, the Australian Philanthropy Awards, professional learning content & programs and our digital membership platform, the Better Giving Hub containing giving data within Foundation Maps Australia. The revenue from membership fees, event registrations and partnerships aim to cover all costs associated with delivery of these membership services; and
2. **Advancing Philanthropy** – relating to the strategic priorities of leadership, government policy and advocacy, research, data and insight (and the development of an 'industry plan' – the philanthropy blueprint). This is funded by our donations and contributions from Philanthropy Champions.

Advancing Philanthropy includes our PA Chapter networks and key partnership collaborations, which seek to build knowledge, research and advance more and better philanthropy. These initiatives are funded by donations, grants and capacity building support.

Philanthropy Australia receives funding for specific operational projects spread across more than one financial year. These projects include our Storytelling initiative, our digital platform (Better Giving Hub, launched in 2018) and Foundation Maps Australia, and the Blueprint for Philanthropy. Where accounting standards allow us to defer income, this has been included in our Statement of Financial Position as Income in Advance.

Where accounting standards do not allow income to be deferred into the years in which the work will be undertaken, we have recognised this income within the current 'surplus' but have noted these as 'restricted funds' within the Profit and Loss Statement and the Equity statement.

As a result, Philanthropy Australia has carry-forward reserves at the end of year balance of \$847,413 tied to specific obligations, costs and partnerships in future years.

INFORMATION ON OTHER KEY ROLES

Sarah Davies, CEO (outgoing)

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.

Jack Heath, CEO (incoming)

Jack has been a leader in the charitable sector for over two decades. He brings to Philanthropy Australia a deep-seated belief in the ability of philanthropy to change lives. After graduating from the University of Melbourne in Honours Arts and Law, he served in Government as a diplomat, speechwriter and senior adviser to Federal Ministers including Prime Minister Paul Keating. Then, following the suicide of his young cousin, Jack led the establishment of the ReachOut youth mental health organisations in Australia, Ireland and the USA before serving as CEO at the national mental health charity SANE Australia for over eight years. Jack has undertaken executive programs at Harvard and Stanford Universities, sat on a number of advisory boards and committees and received awards for his contributions in mental health, including a Centenary Medal. He is a member of the Australian Institute of Company Directors and lives in Sydney.

John McLeod, Finance, Audit, Risk and Compliance Committee (FARCC) Chair & Board member

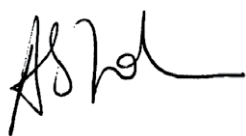
John McLeod was appointed Chair of the FARCC in May 2019.

John joined JBWere's Philanthropic Services team on its establishment in 2001 after 16 years in resource equity markets. His primary responsibilities are researching and analysing trends in the philanthropic sector; interpreting the findings to provide valuable insights for clients; and forging relationships between clients with a philanthropic interest and the not-for-profit sector. Now retired as a Principal and Executive Director of Goldman Sachs JBWere, John devotes more time to both his family's interests in private philanthropy through a Private Ancillary Fund (PAF) and broader education through consultancy in the sector while still undertaking research and client advisory work for the Philanthropic Services team at JBWere. John serves on multiple Boards in a fiduciary volunteer.

Mal Lewis, Company Secretary

Mal Lewis, the Chief Operating Officer for Philanthropy Australia, was appointed Company Secretary in June 2019.

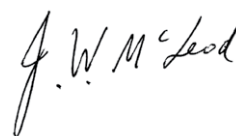
Signed in accordance with a resolution of the Members of the Board on 03 March 2021:



Ann Johnson
Co-Chair



Amanda Miller
Co-Chair



John McLeod
Finance, Audit, Risk and Compliance
Committee Chair



Philanthropy Australia


ABN: 79 578 875 531

Auditors Independence Declaration to the Directors of Philanthropy Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit of Philanthropy Australia.


Saward Dawson


Jeffrey Tulk
Partner

Blackburn VIC

Dated: 9 March 2021

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
INCOME			
Member fees		1,224,092	1,190,512
Subscriptions (Online directory)		41,373	42,582
Grants, donations and sponsorships	2	1,099,739	1,671,450
Grants & donations – Collaborations & Chapter Networks		2,378,314	774,250
Government grants (including JobKeeper)		444,500	–
Philanthropy Meets Parliament Summit (2019) registrations		–	186,182
Programs, content, member networks and member events		34,224	154,783
Other income		21,163	107,233
Interest income		19,771	31,398
Total Revenue		5,263,175	4,158,389
EXPENDITURE			
Events & Programs		(26,128)	(172,552)
Marketing & Communications		(56,218)	(86,539)
Travel & Accommodation		(42,123)	(175,315)
Premises (In-kind) & Rent	2	(171,515)	(178,337)
Finance & Administration		(84,505)	(99,862)
ICT, CRM & Digital		(80,901)	(109,068)
Auditors remuneration		(7,200)	(6,868)
Depreciation and amortisation		(16,745)	(16,341)
Consultants Projects		(126,257)	(140,129)
Personnel benefits		(1,883,184)	(1,852,819)
HR & Culture		(117,864)	(116,174)
Grant Donations – Collaborations & Chapter Networks		(1,958,937)	(754,750)
Total Expenses		(4,571,576)	(3,708,753)
Surplus from continuing operations		691,599	449,636
Other comprehensive income for the year		–	–
Total surplus and comprehensive income for the year		691,599	449,636

This Statement should be read in conjunction with the Notes to the Financial Report.

Statement of Financial Position

As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	2,172,023	1,293,727
Trade and other receivables	4	76,618	58,448
Financial assets	5	2,206,998	1,910,493
Other assets	7	75,641	96,468
TOTAL CURRENT ASSETS		4,531,280	3,359,136
NON-CURRENT ASSETS			
Property, plant and equipment	6	37,381	24,622
TOTAL NON-CURRENT ASSETS		37,381	24,622
TOTAL ASSETS		4,568,661	3,383,758
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	94,059	157,528
Income in Advance	9	1,805,362	1,191,512
Employee benefits	10	82,481	123,477
TOTAL CURRENT LIABILITIES		1,981,902	1,472,517
NON-CURRENT LIABILITIES			
Income in Advance	9	1,530	3,233
Employee benefits	10	13,930	28,307
TOTAL NON-CURRENT LIABILITIES		15,460	31,540
TOTAL LIABILITIES		1,997,362	1,504,057
NET ASSETS		2,571,299	1,879,700
EQUITY			
Retained surplus		1,879,700	1,430,064
Surplus from general operations		345,917	(3,993)
Surplus restricted for future operations		345,682	453,629
Total Surplus/(Deficit) Current Year		691,599	449,636
TOTAL EQUITY		2,571,299	1,879,700

This Statement should be read in conjunction with the Notes to the Financial Report.

Statement of Changes in Equity

For the Year Ended 31 December 2020

	Restricted Funds Reserve \$	Unrestricted Reserve \$	Retained Surpluses \$
2020			
Balance at 1 January 2020	668,629	1,211,071	1,879,700
Surplus for the year	345,682	345,917	691,599
Transfer Restricted funds used during 2020	(166,897)	166,897	-
Balance at 31 December 2020	847,413	1,723,885	2,571,299
2019			
Balance at 1 January 2019	400,000	1,030,064	1,430,064
Surplus for the year	453,629	(3,993)	449,636
Transfer Restricted funds used during 2019	(185,000)	185,000	-
Balance at 31 December 2019	668,629	1,211,071	1,879,700

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

This Statement should be read in conjunction with the Notes to the Financial Report.

Statement of Cash Flows

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members & membership events & programs		1,464,406	1,655,509
Sponsorships, donations and grants received		4,381,014	2,952,735
Payments to suppliers and employees		(4,659,387)	(3,623,284)
Interest & Other Income received		19,356	29,552
Net cash provided by (used in) operating activities	15	1,205,389	1,014,512
CASH FLOWS FROM INVESTING ACTIVITIES			
Net placement of term deposits		(296,506)	(1,005,618)
Purchase of property, plant and equipment		(30,587)	(11,694)
Net cash used by investing activities		(327,093)	(1,017,312)
Net increase/(decrease) in cash and cash equivalents held		878,296	(2,800)
Cash and cash equivalents at beginning of year		1,293,727	1,296,527
Cash and cash equivalents at end of financial year	3	2,172,023	1,293,727

This Statement should be read in conjunction with the Notes to the Financial Report.

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 Company is registered with ASIC and 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

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(e) Revenue recognition

The company has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058).

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services.

Notes to the Financial Statements **continued**

For the Year Ended 31 December 2020

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Membership Fee

The membership fee from members is recognised proportionately over the subscription year as the company fulfils its performance obligation over time. Any balance not earned as income at year-end is recognised as unearned income in liabilities.

Contributed assets

The company receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

Operating grants, donations and bequests

When the company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest income

Interest income is recognised using the effective interest method.

Dividend income

The company recognises dividends in profit or loss only when the company's right to receive payment of the dividend is established.

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

(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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument; and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Notes to the Financial Statements **continued**

For the Year Ended 31 December 2020

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss (FVPL); and
- equity instruments at fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

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

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Classification and measurement of financial liabilities

The company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(i) Cash and cash equivalents

Cash and cash equivalents comprise 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.

(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 Board 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:

- **Retained Earnings (Unrestricted Reserves) –** 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; and
- **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.

Notes to the Financial Statements continued

For the Year Ended 31 December 2020

	2020 \$	2019 \$
2 GRANTS, DONATIONS AND SPONSORSHIPS		
Within our Sponsorships, Philanthropy Australia recognises the generous in-kind market values our state office rental as follows:		
Westpac (Sydney Office – ended September 2020)	31,200	41,600
ANZ (Melbourne office)	100,800	100,800
The Wyatt Trust (Adelaide office)	14,400	15,600
Tim Fairfax Family Foundation (Queensland Office – ended May 2020)	6,500	14,400
Total In-Kind Sponsorships	152,900	172,400
Grants & Donations	911,839	1,452,550
Sponsorships	35,000	46,500
Total Grants, Donations and Sponsorships	1,099,739	1,671,450
3 CASH AND CASH EQUIVALENTS		
Cash on hand	300	286
Cash at bank	2,171,723	1,293,441
Total cash and cash equivalent	2,172,023	1,293,727
4 TRADE AND OTHER RECEIVABLES (CURRENT)		
Trade receivables	-	25,756
Other receivables	76,618	32,692
Total current trade and other receivables	76,618	58,448
5 FINANCIAL ASSETS		
Bank Term Deposits	2,206,998	1,910,493
Total other financial assets	2,206,998	1,910,493
6 PROPERTY, PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	13,212	13,212
Less accumulated depreciation	(13,212)	(13,212)
Total furniture, fixtures and fittings	-	-
Office & IT equipment		
At cost	92,814	74,789
Less accumulated depreciation	(55,433)	(50,168)
Total office equipment	37,381	24,622
Software & CRM Development		
At cost	19,000	19,000
Less accumulated depreciation	(19,000)	(19,000)
Total office equipment	-	-
Total property, plant and equipment	37,381	24,622

Movements in carrying amounts of property, plant and equipment

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

	Furniture & Fittings \$	Software & CRM \$	Office/IT Equipment \$	Total \$
Year ended 31 December 2020				
Balance at the beginning of the year	-	-	24,622	24,622
Purchases/additions	-	-	30,357	30,357
Disposals & write-offs	-	-	(853)	(853)
Depreciation expense	-	-	(16,745)	(16,745)
Balance at the end of the year	-	-	37,381	37,381

Year ended 31 December 2019				
Balance at the beginning of the year	-	-	29,268	29,268
Purchases/additions	-	-	11,694	11,694
Depreciation expense	-	-	(16,341)	(16,341)
Balance at the end of the year	-	-	24,622	24,622

	Note	2020 \$	2019 \$
7 OTHER CURRENT ASSETS			
Prepayments		\$75,641	\$96,468
Total		\$75,641	\$96,468

8 TRADE AND OTHER PAYABLES			
Trade payables		\$57,965	\$86,344
Other payables		\$36,094	\$71,185
Total		\$94,059	\$157,528

9 INCOME IN ADVANCE

CURRENT LIABILITIES

Advance membership income		\$427,527	\$418,300
Advance grant, partnership and other program income	9(a)	\$1,377,835	\$773,212
Total		\$1,805,362	\$1,191,512

Note 9(a) The deferred grant income includes one large partnership grant of \$1 million for distribution in early 2021.

NON-CURRENT LIABILITIES

Advance membership income		\$1,530	\$3,233
Total		\$1,530	\$3,233

Notes to the Financial Statements continued

For the Year Ended 31 December 2020

	2020 \$	2019 \$
10 EMPLOYEE BENEFITS		
CURRENT LIABILITIES		
Provision for long service leave	9,770	-
Provision for annual leave	56,600	107,705
Superannuation payable	16,111	15,772
Total	82,481	123,477
NON-CURRENT LIABILITIES		
Provision for long service leave	13,930	28,307
Total	13,930	28,307

In 2020, Philanthropy Australia finished the year with staff FTE 17.1, headcount 21 (2019: FTE 16.8, headcount 22).

	2020 \$	2019 \$
11 CAPITAL AND LEASING COMMITMENTS		
Low Value Leases		
Minimum lease payments under non-cancellable low-value leases:		
- not later than one year	11,562	11,562
- between one year and five years	4,818	16,380
Total	16,380	27,942

The operating lease relates to printer/photocopiers.

12 FINANCIAL RISK MANAGEMENT

Philanthropy Australia's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB9 detailed in the accounting policies to these financial statements are as follows:

	Note	2020 \$	2019 \$
Financial Assets at amortised cost			
Cash and cash equivalents	3	2,172,023	1,293,727
Amortised-cost investments (Term deposits)	5	2,206,998	1,910,493
Trade and other receivables	4	76,618	58,448
Total		4,455,639	3,262,668
Financial liabilities at amortised cost			
- Trade and other payables	8	94,059	157,528
Total		94,059	157,528

13 KEY MANAGEMENT PERSONNEL DISCLOSURES

Philanthropy Australia recognises the senior management team (FTE 6) as having delegated authority for planning, executing and controlling the entity activities. The total remuneration paid to key management personnel during the year are as follows:

	2020 \$	2019 \$
Salaries & benefits	860,200	707,109
Superannuation	76,812	66,960
Total	937,011	774,069

The Board receive no remuneration for their time, and provide their services in-kind.

14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the Board, Philanthropy Australia did not have any contingencies at 31 December 2020 (31 December 2019: None).

15 CASH FLOW INFORMATION

	2020 \$	2019 \$
Reconciliation of net income to net cash provided by operating activities:		
Surplus/(deficit) for the year	691,599	449,636

Cash flows excluded from profit attributable to operating activities

Non-cashflows in surplus:

- complimentary memberships	72,833	-
- depreciation	16,745	16,341
- doubtful debts	9,707	-

Changes in assets and liabilities:

- (increase)/decrease in trade and other receivables	(6,855)	6,812
- (increase)/decrease in prepayments & accruals	(33,874)	(64,691)
- increase/(decrease) in income in advance	612,147	633,211
- increase/(decrease) in trade and other payables	(101,540)	(71,230)
- increase/(decrease) in current employee benefits	(50,766)	37,833
- increase/(decrease) in non-current employee benefits	(4,607)	6,600
Cashflow from operations	1,205,389	1,014,512

Notes to the Financial Statements continued

For the Year Ended 31 December 2020

16 EVENTS OCCURRING AFTER THE REPORTING DATE

In 2020, PA's operations were effected by the COVID-19 pandemic. Our national conference was due in September 2020, and was twice deferred until April 2021, deferring income from registrations and partnerships, but incurring some costs from venues and for management of the change. Our membership services moved to an online delivery model, changing the shape of our costs. In 2021, the economic impacts of COVID-19 may impact future income and targets. The Board monitors impacts closely with management. No other 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 RELATED PARTY DISCLOSURES

There was one payment for \$7,200 to Board member Genevieve Timmons for consulting evaluation work undertaken in a professional capacity, other than in the capacity as a director of the company, during the financial year 2020.

Philanthropy Australia receives some grants and donations from Director related entities.

18 COMPANY DETAILS

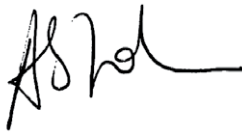
The registered office and principal place of business of the company is:

Philanthropy Australia Ltd
Level 2, 55 Collins Street
Melbourne VIC 3000

Directors' Declaration

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

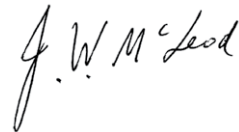
1. The financial report and notes as set out on pages 23 to 36 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and comply with *Accounting Standards - Reduced Disclosure Requirements*;
2. give a true and fair view of the financial position as at 31 December 2020 and of the performance of the year ended on that date of the company; 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.



Ann Johnson
Co-Chair



Amanda Miller
Co-Chair



John McLeod
Finance, Audit, Risk and Compliance
Committee Chair

Dated 3 March 2021



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 2020, 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 directors' declaration.

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

- (i) giving a true and fair view of the company's financial position as at 31 December 2020 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 Board of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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Member of Russell Bedford International

Philanthropy Australia

ABN: 79 578 875 531

Independent Audit Report to the members of Philanthropy Australia

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

The directors are responsible for the other information. The other information consist of the directors' report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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Philanthropy Australia

ABN: 79 578 875 531

Independent Audit Report to the members of Philanthropy Australia

- 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: 9 March 2021

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