

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

philanthropy
australia

ANNUAL
REPORT
2016

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

more & better

Towards

philanthropy

Corporate Information

PHILANTHROPY AUSTRALIA INC

Email
info@philanthropy.org.au

Website
www.philanthropy.org.au

ABN
79 578 875 531

Incorporated Associated No.
A0014980T

Melbourne
Level 2, 55 Collins Street
Melbourne VIC 3000

Sydney
52 Victoria Street
Paddington NSW 2021

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

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

National:
1300 511 500

Patrons
Sir Gustav Nossal AC CBE
Lady Southey AC

Council
As at 31 December 2016
President Mr Alan Schwartz AM
Vice President Ms Ann Johnson

Council Members
Mr Allan English
Mr Rob McLean AM
Mr John McLeod
Mr Joe Skrzynski AO
Ms Jenny Stephens
Ms Caroline Stewart
Ms Genevieve Timmons
Mr Craig Winkler
Mr Peter Winneke

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

With thanks to our departing Council Members in 2016:
Mr Michael Gonski

Staff
As at 31 December 2016

Executive
CEO Sarah Davies
PA Vanessa Kobiellak

Membership Services
National Membership Services Manager and SA & WA Manager
Julia Steele Scott

NSW & ACT Manager
Jenna Liang

QLD Manager
Sue Fisher

VIC & TAS Manager
Patricia Burke

New Generation of Giving
New Generation of Giving Manager
Jenna Liang

Philanthropic Services
Philanthropic Services Manager
Chris Wootton

Policy & Research
Policy & Research Manager
Krystian Seibert

Marketing, Communications & Events
Marketing Manager
Dianne Jickell

Digital Marketing Coordinator
Matthew Romania

Partnerships
Partnerships Executive
Giselle Pinto

Finance
Finance Manager
Dipna Dus

Finance Administrator
Anantha Vedavratha

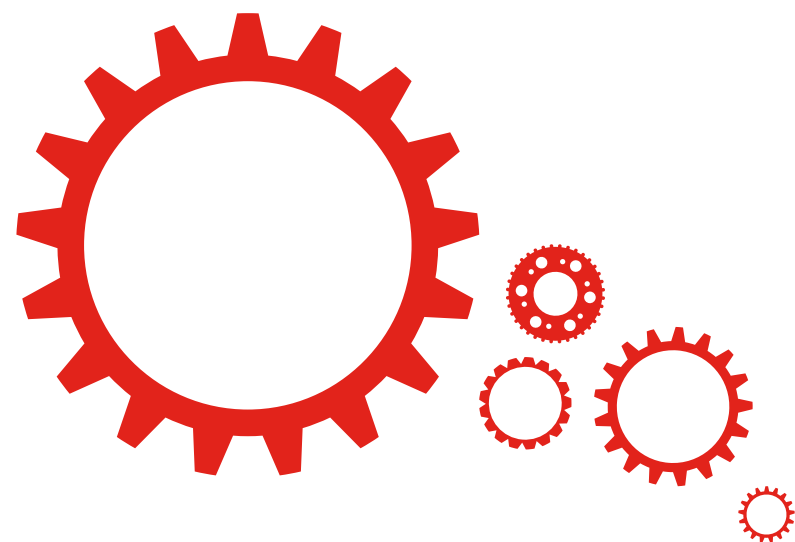
*All staff and Council biographies can be found at www.philanthropy.org.au/about-us

Contents

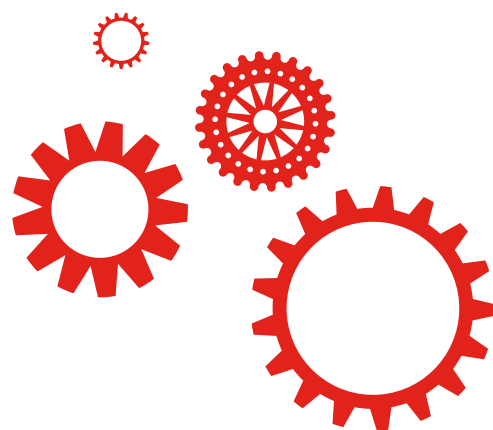
- 03 President's Report
- 04 Chief Executive Officer's Report
- 06 2016 Action Plan Achievements
- 10 2017 – 2020 Strategic Plan
- 12 2017 Action Plan
- 14 Partnership Acknowledgements 2016
- 16 Council Members' Report

Financial Statements

- 19 Auditor's Independence Declaration to the Council Members of Philanthropy Australia
- 20 Statement of Profit or Loss and Other Comprehensive Income
- 21 Statement of Financial Position
- 22 Statement of Changes in Equity
- 23 Statement of Cash Flows
- 24 Notes to the Financial Statements
- 32 Responsible Entity Declaration
- 33 Certificate by Members of Council
- 34 Independent Audit Report to the Members of Philanthropy Australia
- 35 Independent Audit Report to the Members of Philanthropy Australia



Serving the philanthropic community to achieve more and better philanthropy.



President's Report



As its peak body, Philanthropy Australia's purpose is to support the philanthropic community to achieve more and better philanthropy. This purpose has underpinned the development of our 2017-2020 Strategic Map, which we shared with our membership in September 2016 and can be found on page 10 of this Report.

We held extensive consultation during the year, which provided key insights into the views of our membership as well as the broader philanthropic community. We heard from our membership that we must respect and learn from the deep expertise of our long-standing members, while acknowledging that philanthropy is changing with new participants and new ways of giving and investing. By harnessing and balancing these two elements, we could ensure a bright future for philanthropy in Australia.

We also heard that our role as a peak body and our role as a membership organisation are complementary – we advance philanthropy by serving our members and we serve our members by advancing philanthropy.

Our 2016 consultation process allowed us to explore how our membership and supporters would like to engage with us – and how they would like us to deliver services to them.

So, with this knowledge, coupled with our research of how other peak bodies and membership organisations operate, we formulated our Strategic Plan underpinned by five strategic priorities: leadership & advocacy, connecting & convening, data & insight, professional learning & services and the better giving hub.

Our 2017 Action Plan on page 12 of this Report, shows how we will deliver the first year of our Strategic Plan.

In order to service the new Strategic Map and resulting business plan, we intend to move to a new business model in 2018. You told us 'a one size fits all' approach is too limiting and a new model offering choice and flexibility will better serve our membership. Member consultation about the model will commence early in 2017.

Key to changing our business model will be the move from an incorporated association to a company limited by guarantee, subject to member support. We hope to progress this at an EGM in the middle of the year. More details on this important change will be provided at the 2017 AGM.

We have been fortunate to have Sarah Davies as our CEO during this time of change – she has steered the organisation ably through the planning and consultation period; the resulting Strategic Map is testament to that. We all look forward to

supporting Sarah as she guides the membership and the organisation through the next stage of this transition.

2016 saw a number of changes at a Council level. We said farewell to Michael Gonski with our thanks, and welcomed Allan English, John McLeod, Jenny Stephens and Caroline Stewart following the 2016 elections. While John was newly elected, Allan, Jenny and Caroline were initially appointed to casual vacancies in November 2015.

Serving the philanthropic community to achieve more and better philanthropy.

We have a very strong Council of committed and experienced members – my thanks go to all of you for dedicating your time and expertise to Philanthropy Australia.

The Council and I would also like to thank Sarah and her team for another defining year. We look forward to continuing to support the team as they roll out the new Strategic Map.

Our thanks also go to you, our members, who have helped shape the future of Philanthropy Australia, but most importantly, who have a drive and commitment to achieving more and better philanthropy in Australia.

Alan Schwartz AM
President

Chief Executive Officer's Report



Reflecting on my first full year at Philanthropy Australia has given me cause to be incredibly proud and extremely hopeful for the future of philanthropy.

Whether I've been in one-on-one conversations, larger group discussions or reading our own Philanthropy Weekly – every day in Australia there are examples of the philanthropic community achieving great things through innovation, collaboration, measurement, impact analysis, sharing stories and challenging ideas.

This was evident at the 2016 Philanthropy Australia Conference, which brought together more than 700 members of the philanthropic community to question 'is philanthropy future ready?' It was a topic debated and discussed throughout the two-day event and the conversations started at the conference are still being explored and pulled apart today.

This ability to question and explore is one of the fundamental benefits of philanthropy and it's invigorating to see our community is healthy and strong in this respect.

In addition to our conference, there were a number of other key activities in our 2016 calendar.

In April, we partnered with the United States Studies Centre at the University of Sydney (USSC) to bring to Australia two leaders of the US philanthropic sector - the President of the Rockefeller Brothers Fund, Stephen Heintz and the President of the Foundation Center, Brad Smith. Stephen and Brad were here to help launch the US Foundation Funding for Australia Report, prepared by the Foundation Center with the support of the USSC and Philanthropy Australia. The report explores funding in Australia by US foundations, using data from the Foundation Center's database. The significance of this project is that

it shows the benefits of openness and supports the widespread view from our Members that it's time we do something similar in Australia, which is the catalyst for our planned 'Foundation Maps Australia' project.

We also held our second Philanthropy Awards in April. Winners included 2016 Leading Philanthropist, Audette Exel AO and 2016 Emerging Philanthropist, Gemma Salteri. All winners and details of our 2017 Awards event are available at www.philanthropy.org.au

Philanthropy Australia is proud to give our Members a collective voice and the ability to influence and shape the future of the sector.

Our not-for-profit workshop series generated very positive feedback. More than 300 people attended the workshops in Melbourne, Sydney, Brisbane and Adelaide.

In May we held a series of half-day seminars on impact investing from a funder's perspective as part of our NAB Impact Investing Partnership. The Partnership aims to encourage trusts and foundations to contribute to growing the number of social enterprises managed by not-for-profits. The partnership saw NAB contribute \$250,000 in a matched-funding arrangement with other funders. The resultant Impact Investment Ready Discovery Grants round opened in February 2017.

We launched our Philanthropic Consultancy Service in 2016 to support the philanthropic sector in achieving more and better philanthropy.

Our partnership with Generosity Magazine was again a highlight of the year. Our collaboration with the editor of Generosity resulted in the development of two superb editions of the magazine. This year we covered topics that complemented our National Conference theme of Evolution or Revolution: Is Philanthropy Future Ready?

A much welcomed major project in 2016 was the update to our Effective Grant-Seeking Guide as well as our PAF Trustee and PuAF Handbooks. The guides and handbooks can be found on our website.

We launched our Professional Adviser Program in the last quarter of 2016 with the launch of the Professional Advisers Guide along with a workshop for Professional Advisers in Melbourne and Sydney.

And of course, we've spent much of the year developing our 2017-2020 Strategic Map, which Alan outlined in his President's Report and is available on page 10 of this Report. Key to our new direction is a focus on delivering high-quality programs and products to our membership. As well as managing strategic projects funded by philanthropy to invest in more and better philanthropy.

All of this would not be possible without the hard work of our Philanthropy Australia team – I would like to acknowledge their tremendous efforts and offer up a very sincere thank you.

I'd also like to offer our thanks and best wishes to our departing staff in 2016 including Fleur Anderson, Emilie O'Malley, Annie Scoufis and Katy Tyrrell.

My thanks also go to our Council, who have guided and supported the team as we've developed and finalised the 2017-2020 Strategic Map and 2017 Action Plan. Their expertise, energy, commitment and counsel is appreciated.

I'd like to also thank and recognise our partners who have offered significant support in 2016 including our Leading Members: ANZ, The Myer Foundation and Sidney Myer Fund and the Vincent Fairfax Family Foundation. Our thanks also to our Conference partners, Awards partners and all those who have supported our Funders and Network Groups, projects and initiatives this year. We really value the strong relationships we've built with each of you.

And finally, I would like to thank you, our Members and Associates, for continuing to allow us to support you and your organisation as you work towards the remarkable achievement of making a positive and lasting impact in our communities.

We have seen a significant growth and shift in the philanthropic sector over the past few years towards increased engagement, increased collaboration, as evidenced by the increase in co-funding opportunities, and increased measurement of impact. We are growing and maturing as a sector, and Philanthropy Australia is proud to support you as that growths continues.

Sarah Davies
Chief Executive Officer

2016 Action Plan Achievements



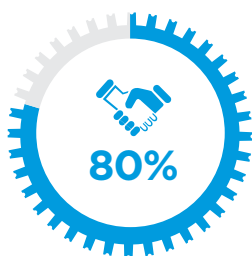
- 90% retention rate
- 414 1-1 meetings with Funders
- 630 Members attended Funder Groups or Network meetings



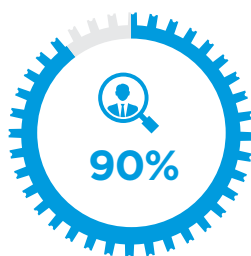
To offer every funder Member the opportunity to meet annually with their State Manager, and have access to staff or Council as appropriate.



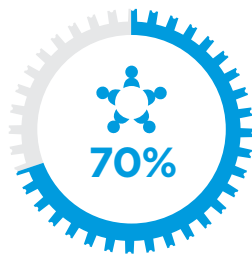
To deepen Members' knowledge, enable collaboration and the sharing of experience and learning, by running a series of targeted, nationally co-ordinated, Funder and Network Groups.



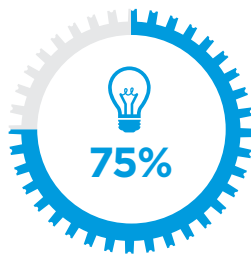
To grow and support Members in their individual philanthropic journey through the New Generation of Giving program.



To add value to Members by supporting state-based Member-driven events, initiatives and programs.



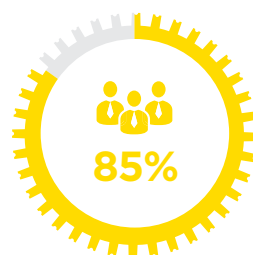
To enable our Associate not-for-profits to network and explore trends and developments in philanthropy, by running a number of round table events.



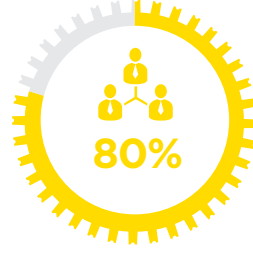
To consult Members and Associates to ensure that we are meeting their needs and expectations, and adding value to their purpose and activities.



- Policy & Research Committee established
- Community and Philanthropy Partnerships Week: 19 grants worth \$152,000 to community groups to celebrate their partnerships with philanthropy
- Australian Government implemented changes to Ancillary Fund Guidelines recommended by Philanthropy Australia
- US Foundation Funding for Australia report released



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



To achieve greater recognition and promotion of philanthropy as a change agent in society.



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



To prepare, collate and disseminate high quality and accessible information about philanthropy and its impact.



- 11,065 Twitter followers
- 49 editions of Philanthropy Weekly
- Partnership on two editions of Generosity Magazine



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



To facilitate Member collaboration and co-funding opportunities through our digital channels.



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

2016 Action Plan Achievements



- More than six new clients signed up for our philanthropic consultancy service
- More than 250 funders attended National Impact Investment Seminars
- 94% of the 2016 National Conference attendees said they would recommend the event to a colleague in 2018
- 747 delegates attended the 2016 National Conference



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



To deliver a range of free learning and development resources, events and activities for Members and Associates that are relevant, professional and engaging.



To deliver an impact investing program, in partnership with NAB, in order to provide a philanthropic funding pool for high potential enterprises to develop and test the readiness and viability of their initiative for impact investing.



To review and update Philanthropy Australia's guides and resources.



To deliver a successful national conference which promotes and shares leading thinking, innovation and best practice in philanthropy, explores effective philanthropy and provides for networking, peer learning and discussion.



To help not-for-profits explore and advance the role of philanthropy in relation to current challenges and issues facing the community sector through a paid national workshop program.



- 2017-2020 Strategic Map completed
- Surplus exceeded forecast



To complete the strategic planning process for the next stage of Philanthropy Australia's evolution.



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



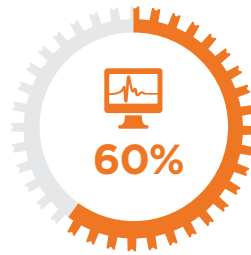
To deliver the 2016 Action Plan within the agreed budget and resources.



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









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



To review IT infrastructure and systems to ensure core business needs are met and opportunities for improvement are identified.

2017 – 2020 Strategic Plan

More & Better	2020 Objectives	2020 Outcomes
 <p>Leadership & Advocacy</p>	<ul style="list-style-type: none"> To provide an informed and prominent voice for the sector as an advocate and influencer to enable philanthropy to grow and drive effective change. 	<ul style="list-style-type: none"> Strong collaborative relationships with government Effective policy environment for philanthropy and reform to grow giving Clear economic case for government support of philanthropy Philanthropic leaders recognised and celebrated Increased awareness of philanthropy in wider community
 <p>Connecting & Convening</p>	<ul style="list-style-type: none"> To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business. 	<ul style="list-style-type: none"> Philanthropy, community and government collaborative projects in-train and models shared Vibrant national and international networks and collaborations for funders and social investors Active funder groups with shared resources and funding projects
 <p>Data & Insight</p>	<ul style="list-style-type: none"> To facilitate openness and transparency, including the efficient collection, analysis and sharing of data and information and to initiate and promote strategic research in order to inform the work and direction of the philanthropic sector. 	<ul style="list-style-type: none"> Collaborative data collection and sharing with ACNC and universities Increase sharing of grants data: regular Foundation Maps Australia reports Regular benchmarking of philanthropic and operational practices Impact projects clearing house
 <p>Professional Learning & Services</p>	<ul style="list-style-type: none"> To build the capability of the sector through expert and professional learning by providing professional development programs, conferences, masterclasses and study tours. 	<ul style="list-style-type: none"> Program of professional learning seminars, workshops, masterclasses and conference Annual national and international study tours Accredited professional adviser program Suite of shared best practice resources and handbooks
 <p>Better Giving Hub</p>	<ul style="list-style-type: none"> Using technology, to build a community of interest across the sector, engage and share a range of resources, information and tools; and connect and network for shared interest and outcomes. 	<ul style="list-style-type: none"> Vibrant community of interest that shares news, events and resources Research portal, online networks and bulletin boards Collaborative funding, Funder Central, grants database Directory of Funders
 <p>Organisation Effectiveness</p>	<ul style="list-style-type: none"> To achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices. 	<ul style="list-style-type: none"> Strong, healthy culture that attracts and retains a talented high-performing team Financial viability with diversified income streams and profitable activities Effective governance and full compliance against regulatory and statutory requirements Efficient practices and processes that support growth and innovation

2017 Action Plan

LEADERSHIP & ADVOCACY

Provide an informed and prominent voice for the sector

OBJECTIVES

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

To commence 'The Economic Case for Philanthropy' project.

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

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

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

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

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

CONNECTING & CONVENING

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

OBJECTIVES

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

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

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

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

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

DATA & INSIGHT

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

OBJECTIVES

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

To support all other components of the Open Philanthropy Initiative.

PROFESSIONAL LEARNING & SERVICES

Build the capacity of the sector through expert training and professional development

OBJECTIVES

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

To plan, design and create the 2017 New Gen study tour to Asia.

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

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

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

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

To further develop the suite of live and recorded webinars.

BETTER GIVING HUB

Build an interactive online community of interest and resource hub across the sector for shared interest and outcomes

OBJECTIVES

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

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

ORGANISATION EFFECTIVENESS

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

OBJECTIVES

To deliver the plan within the agreed budget and resources.

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

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

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

Partnership Acknowledgements 2016

We would like to acknowledge the generous and valuable support provided by the following individuals and organisations.

OFFICE

Melbourne: ANZ
Sydney: M.H. Carnegie & Co.
Adelaide: The James & Diana Ramsay Foundation
Brisbane: Tim Fairfax Family Foundation

2016 PHILANTHROPY AWARDS

Supporting Partner: NAB
Gender-wise Philanthropy Award Partner: FIIG Securities

PHILANTHROPY AUSTRALIA NATIONAL CONFERENCE 2016

Capacity Building Partner

Perpetual

Presenting Partners Day One:

Australian Executor Trustees
Australian Government,
Department of Social Services
English Family Foundation
Lord Mayor’s Charitable Foundation
UBS

Presenting Partners Day Two:

The Australian Centre for Social Impact and Nonprofit Studies QUT
Centre for Social Impact Swinburne
Commonwealth Private Fellowship for Indigenous Leadership, with Woor-Dungin
NAB
Prolegis Lawyers

Marketing Partner: Disegno
Publicity Partner: Think HQ
Storytelling Partner: Digital Storytellers

Venue Partner: Four Points by Sheraton, Darling Harbour

US FOUNDATION FUNDING FOR AUSTRALIA

Skrzynski Sky Foundation
The Snow Foundation
United States Studies Centre at the University of Sydney
Trawalla Foundation

COMMUNITY AND PHILANTHROPY PARTNERSHIPS WEEK

Australian Government,
Department of Social Services

GUIDES AND HANDBOOKS

A Grant-seeker’s Guide to Trusts and Foundations

Strategic Grants

A Guide to Giving for Australians

NAB

An Introductory Guide to Grant-making

NAB

PAF Trustee Handbook

Macquarie Group Foundation
Myer Family Company

Philanthropy Guide for Advisers

Australian Communities Foundation
Australian Executor Trustees

PuAF Trustee Handbook

Australian Philanthropic Services

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

Australian Philanthropic Services

END OF YEAR EVENTS

Melbourne

Perpetual

Sydney

Perpetual

Adelaide

Knightsbridge Wealth Management
Art Gallery of South Australia

Brisbane

The University of Queensland
Customs House, Brisbane

NEW GENERATION OF GIVING

Ainsworth Herschell Family

NOT-FOR-PROFIT WORKSHOP SERIES

Gilbert + Tobin

Westpac Social Sector Banking

2016 ANNUAL GENERAL MEETING

Venue Host: NAB

Secretary: Nick Crowhurst,
Collaboratus Group

COUNCIL MEETINGS

Trawalla Foundation
UBS

VENUE HOSTS

Aspen Foundation
Australia Post
Clayton Utz
Cooper Investors
JBWere
KPMG
Macquarie Wealth Management
Myer Family Company
NIB Foundation
Perpetual
Origin Foundation
The Wyatt Trust
Tim Fairfax Family Foundation
UBS

MARKETING

Disegno

STRATEGIC

Collier Creative

Council Members' Report

For the Year Ended 31 December 2016

The council members submit the financial report of Philanthropy Australia for the financial year ended 31 December 2016.

GENERAL INFORMATION

Council Members

The names of council members throughout the year and at the date of this report are:

Names	Appointed/Resigned
Alan Schwartz AM	
Allan English	
Michael Gonski	Resigned 24 October 2016
Ann Johnson	
Robert McLean AM	
John McLeod	Appointed 13 April 2016
Joseph Skrzynski AO	
Jennifer Stephens	
Caroline Stewart	
Genevieve Timmons	
Andrew Craig Winkler	
Peter Winneke	

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

Vision and Purpose

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

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

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

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

Philanthropy Australia's principal activities comprise:

- representing and advocating for the philanthropic sector as the national peak body for philanthropy
- supporting and enabling an innovative, growing, influential and high performing philanthropic sector in Australia
- promoting the contribution of philanthropy by growing the understanding of the community, business and government.
- inspiring and supporting new philanthropists
- increasing the effectiveness of philanthropy through the provision of information, professional development, resources and networking and collaboration opportunities
- promoting strong and transparent governance standards in the philanthropic sector
- providing information to those seeking to understand, access or partner with the philanthropic sector.

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

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

Philanthropy Australia's 2017-2020 Strategic Map was launched at the 2016 National Conference to members and the broader community, following a significant research consultation and process. Philanthropy Australia's four year goals are outlined below.

2020 Goals

- To provide an informed and prominent voice for the sector as an advocate and influencer to enable philanthropy to grow and drive effective change.
- To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business.
- To facilitate openness and transparency, including the efficient collection, analysis and sharing of data and information and to initiate and promote strategic research in order to inform the work and direction of the philanthropic sector.
- To build the capability of the sector through expert and professional learning by providing professional development programs, conferences, masterclasses 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, a financially sound business model and effective work practices.

Key Performance Measures

	2016	2015
MEMBERS		
Number of new members	158	174
Number of continuing members	637	589
	795	763
OPERATIONAL AND FINANCIAL % PROPORTION OF FUNDING PROVIDED BY:		
Membership Income	39%	54%
Conference Income	21%	-
Grants/Donations/Sponsorship	33%	29%
Professional Development Program	3%	11%
Other income	4%	6%
	100%	100%

Council Members' Report continued

For the Year Ended 31 December 2016

Meeting of council members

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

	Council Meetings	
	Number eligible to attend	Number attended
Alan Schwartz AM	6	6
Allan English	6	6
Michael Gonski	3	3
Ann Johnson	6	6
Robert McLean AM	6	6
John McLeod	5	5
Joseph Skrzynski AO	6	4
Jennifer Stephens	6	6
Caroline Stewart	6	6
Genevieve Timmons	6	6
Andrew Craig Winkler	6	4
Peter Winneke	6	5

Philanthropy Australia also has committees that meet periodically throughout the year. The regular committees and members as at 31 December 2016 were as follows:

Audit, Risk and Compliance Committee – Elizabeth O’Brien (Chair), Caroline Stewart and Peter Winneke.

Governance and Nominations Committee – Alan Schwartz AM (Chair), Ann Johnson and Genevieve Timmons.

Policy and Research Committee – Joseph Skrzynski AO (Chair), Allan English, Robert McLean AM and Jennifer Stephens.

Philanthropy Australia
ABN: 79 578 875 531



Auditors Independence Declaration to the Council Members of Philanthropy Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016, there have been no contraventions of any applicable code of professional conduct in relation to the audit of Philanthropy Australia.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn VIC
Dated: 22 February 2017

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: +61 3 9894 2500
F: +61 3 9894 1622
contact@sawarddawson.com.au

PRINCIPALS: Bruce Saward FCA Peter Shields FCA Tim Flowers CA
Joshua Morse CA Jeff Tulk CA
Directors: Cathy Braun CA Jeff Davey FCA
Marie Ickeringill SSA Matthew Stokes CA
Murray Nicholls CPA Vicki Adams FCA
Liability limited by a scheme approved under Professional Standards Legislation



Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Revenue	2	2,915,125	2,098,935
Employee benefits expense		(1,436,699)	(1,162,135)
Depreciation and amortisation expense		(12,265)	(2,361)
Design		(54,394)	(16,284)
Consultants expense		(388,393)	(351,785)
Travel		(138,415)	(86,607)
Advertising		(4,536)	(2,600)
Rental expenses		(143,069)	(126,582)
Auditors remuneration		(6,450)	(11,420)
Events expense		(266,767)	(45,656)
Donations		(132,000)	-
Operating expenses		(225,921)	(210,776)
Surplus from continuing operations		106,215	82,728
Other comprehensive income for the year		-	-
Total surplus and comprehensive income for the year		106,215	82,728

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	322,298	691,175
Trade and other receivables	5	92,904	147,294
Financial assets	6	1,133,240	233,436
Other assets	8	22,714	32,885
TOTAL CURRENT ASSETS		1,571,156	1,104,790
NON-CURRENT ASSETS			
Property, plant and equipment	7	14,780	25,895
TOTAL NON-CURRENT ASSETS		14,780	25,895
TOTAL ASSETS		1,585,936	1,130,685
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	72,392	74,201
Other liabilities	10	998,764	661,480
Employee benefits	11	61,370	49,817
TOTAL CURRENT LIABILITIES		1,132,525	785,499
NON-CURRENT LIABILITIES			
Other liabilities	10	38,720	41,094
Employee benefits	11	10,751	6,368
TOTAL NON-CURRENT LIABILITIES		49,471	47,462
TOTAL LIABILITIES		1,181,996	832,961
NET ASSETS		403,940	297,724
EQUITY			
Retained surplus		403,939	297,724
TOTAL EQUITY		403,940	297,724

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Retained Surpluses \$	Total \$
2016		
Balance at 1 January 2016	297,724	297,724
Surplus for the year	106,215	106,215
Balance at 31 December 2016	403,940	403,940
2015		
Balance at 1 January 2015	214,995	214,995
Surplus for the year	82,728	82,728
Balance at 31 December 2015	297,724	297,724

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		1,678,125	1,744,488
Sponsorships, donations and grants received		1,191,776	475,856
Payments to suppliers and employees		(2,421,979)	(2,305,553)
Interest received		17,703	18,305
Other income		66,453	33,143
Net cash provided by/(used in) operating activities	16	532,077	(33,761)
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement of term deposits		(899,803)	(1,982)
Purchase of property, plant and equipment		(1,151)	(26,288)
Net cash used by investing activities		(900,954)	(28,270)
Net increase/(decrease) in cash and cash equivalents held		(368,877)	(62,029)
Cash and cash equivalents at beginning of year		691,175	753,204
Cash and cash equivalents at end of financial year	4	322,298	691,175

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

Philanthropy Australia applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2012-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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

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

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

(b) Comparative Amounts

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

(c) Income Tax

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

(d) Leases

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

(e) Revenue and other income

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

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

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

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

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

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

Revenue from webinars are recognised as income when invoiced.

All revenue is stated net of goods and services tax (GST).

(f) Goods and Services Tax (GST)

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

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

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

(g) Plant, Equipment and Software Development

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

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

Depreciation

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

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

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

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

(h) Financial instruments

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

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

Held-to-maturity investments

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

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

Notes to the Financial Statements

continued

For the Year Ended 31 December 2016

(i) Cash and cash equivalents

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

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

(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.

	Note	2016 \$	2015 \$
2 REVENUE AND OTHER INCOME			
Member fees		1,123,027	1,127,041
Sponsorships, donations, grants and other income	(a)	1,014,351	620,499
Workshops and events income		85,947	226,013
Online directory and journal subscriptions		72,778	90,934
Interest income		18,942	34,448
Conference registration income		600,080	–
Total Revenue		2,915,125	2,098,935

(a) The Melbourne and Adelaide office rental payments were supported by the generous in-kind donation valued at \$100,800 from ANZ (for the Melbourne office) and \$12,800 from The James & Diana Ramsay Foundation (for the Adelaide office) and \$14,400 from Tim Fairfax Family Foundation (for the Queensland Office).

3 RESULT FOR THE YEAR

The result for the year includes the following specific expenses:

Significant Expenses

Employee benefits expense	1,436,699	1,162,135
---------------------------	------------------	-----------

4 CASH AND CASH EQUIVALENTS

Cash on hand	287	600
Cash at bank	322,011	690,575
Total cash and cash equivalent	322,298	691,175

5 TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	92,806	146,416
Other receivables	98	878
Total current trade and other receivables	92,904	147,294

Financial assets classified as loans and receivables

Accounts receivable and other debtors		
– Total current	92,904	147,294
Total loans and receivables	92,904	147,294

Notes to the Financial Statements

continued

For the Year Ended 31 December 2016

	2016 \$	2015 \$
6 FINANCIAL ASSETS		
Held-to-maturity financial assets	1,133,240	233,436
Total other financial assets	1,133,240	233,436

7 PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Furniture, fixtures and fittings		
At cost	15,351	16,039
Less accumulated depreciation	(15,351)	(16,039)
Total furniture, fixtures and fittings	0	0

Office equipment

At cost	47,081	114,997
Less accumulated depreciation	(42,597)	(108,102)
Total office equipment	4,484	6,895

Software Development

At cost	19,000	19,000
Less accumulated depreciation	(8,704)	-
Total office equipment	10,296	19,000

Total property, plant and equipment	14,780	25,895
-------------------------------------	--------	--------

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:

	Office Equipment \$	Software Development \$	Total \$
Year ended 31 December 2016			
Balance at the beginning of the year	6,895	19,000	25,895
Additions	1,150	-	1,150
Depreciation expense	(3,561)	(8,704)	(12,265)
Balance at the end of the year	4,484	10,296	14,780

Year ended 31 December 2015

Balance at the beginning of the year	1,968	-	1,968
Additions	7,288	19,000	26,288
Depreciation expense	(2,361)	-	(2,361)
	6,895	19,000	25,895

	2016 \$	2015 \$
8 OTHER CURRENT ASSETS		
CURRENT		
Prepayments	22,714	32,885
Total	22,714	32,885

9 TRADE AND OTHER PAYABLES

CURRENT

Trade payables	14,220	14,476
Other payables	58,172	59,724
Total	72,392	74,201

10 OTHER LIABILITIES

CURRENT LIABILITIES

Advance membership income	573,985	506,856
Advance grant, partnership and other program income	424,779	154,625
Total	998,764	661,480

NON-CURRENT LIABILITIES

Advance membership income	38,720	41,094
Total	38,720	41,094

	2016 \$	2015 \$
11 EMPLOYEE BENEFITS		
CURRENT LIABILITIES		
Provision for long service leave	-	5,897
Provision for annual leave	61,370	43,920
Total	61,370	49,817

NON-CURRENT LIABILITIES

Provision for long service leave	10,751	6,368
Total	10,751	6,368

Notes to the Financial Statements

continued

For the Year Ended 31 December 2016

		2016 \$	2015 \$
12 CAPITAL AND LEASING COMMITMENTS			
Operating Leases			
Minimum lease payments under non-cancellable operating leases:			
- not later than one year		39,121	36,692
- between one year and five years		2,855	41,976
Total		41,976	78,668

The operating lease relates to photocopier and phone line rental

13 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 AASB 139 detailed in the accounting policies to these financial statements are as follows:

Financial Assets			
Cash and cash equivalents	4	322,298	691,175
Held-to maturity investments	6	1,133,240	233,436
Trade and other receivables	5	92,904	147,294
Total		1,548,441	1,071,905

Financial Liabilities

Financial liabilities at amortised cost			
- Trade and other payables	9	72,392	74,201
Total		72,392	74,201

		2016 \$	2015 \$
14 KEY MANAGEMENT PERSONNEL DISCLOSURES			
The totals of remuneration paid to the key management personnel of Philanthropy Australia during the year are as follows:			
Salary and fees		197,394	232,742
Superannuation		18,752	20,091
Total		216,146	252,833

	2016 \$	2015 \$
15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS		
In the opinion of the Council Members, Philanthropy Australia did not have any contingencies at 31 December 2016 (31 December 2015: None)		

	2016 \$	2015 \$
16 CASH FLOW INFORMATION		
Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Surplus/(deficit) for the year	106,215	82,728
Cash flows excluded from profit attributable to operating activities		
Non-cashflows in surplus		
- depreciation	12,265	2,361
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	54,390	(141,997)
- (increase)/decrease in prepayments	10,171	(18,300)
- increase/(decrease) in income in advance	334,909	111,799
- increase/(decrease) in trade and other payables	(1,809)	(5,759)
- increase/(decrease) in current employee benefits	11,553	(56,964)
- increase/(decrease) in non-current employee benefits	4,383	(7,629)
Cashflow from operations	532,077	(33,761)

17 EVENTS OCCURRING AFTER THE REPORTING DATE

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

18 ASSOCIATION DETAILS

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

Philanthropy Australia
Level 2
55 Collins Street
Melbourne VIC 3000

Responsible Entity Declaration

The council members of the association declare that:

1. The financial report and notes as set out on pages 20 to 31 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and comply with Accounting Standards – Reduced Disclosure Requirements; and
2. 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.

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



Alan Schwartz AM
President
Dated 22 February 2017



Elizabeth O'Brien
Audit, Risk and Compliance Committee Chair

Certificate by Members of Council

The council members of the association declare that the financial statements on pages 20 to 31, give a true and fair view of the financial position as at 31 December 2016 and of the performance of the year ended on that date of the association.

The declaration is made in accordance with a resolution of the Members of Council.



Alan Schwartz AM
President
Dated 22 February 2017



Elizabeth O'Brien
Audit, Risk and Compliance Committee Chair

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 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity declaration.

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

- (i) giving a true and fair view of the association's financial position as at 31 December 2016 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council for the Financial Report

The council members of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The council's responsibility also includes such internal control as the council determines necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the council is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

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

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: +61 3 9894 2500
F: +61 3 9894 1622
contact@sawarddawson.com.au

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

Liability limited by a scheme approved under Professional Standards Legislation



Independent Audit Report to the members of Philanthropy Australia

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saward Dawson

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn VIC
Dated: 22 February 2017

20 Albert Street / PO Box 256
Blackburn Victoria 3130
T: +61 3 9894 2500
F: +61 3 9894 1622
contact@sawarddawson.com.au

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

Liability limited by a scheme approved under Professional Standards Legislation





www.philanthropy.org.au