



ANNUAL REPORT 2019

Corporate Information

Philanthropy Australia

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Website

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070 104 255

Melbourne

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Sydney

275 Kent Street
Sydney, NSW 2000

Brisbane

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

Adelaide

Level 5, 100 Pirie Street
Adelaide SA 5000

National

1300 511 500

Patrons

Sir Gustav Nossal AC CBE
Lady Southey AC

Board

(As at Dec 2019)

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 John McLeod

Mr Joe Skrzynski AO

Ms Jenny Stephens

Ms Caroline Stewart

Ms Stacey Thomas

Ms Genevieve Timmons

Mr Craig Winkler

With thanks to our departing Members in 2019:

Mr Allan English AM

Mr Daniel Gilbert AM

Mr Alan Schwartz AM

Ms Ann Sherry AO

Board Observer

Tahjma Richardson

Key Governance Personnel

Company Secretary

Mal Lewis

Staff

As at 31 December 2019

Executive

CEO Sarah Davies

Executive Support Officer

Lucy Stratton

Membership Services

National Membership Manager

Vacant

State Manager SA & WA

Sophie Doyle

State Manager NSW & ACT

Judy Foster

State Manager QLD & NT

Sue Fisher

State Manager VIC & TAS

Patricia Burke

Membership Administrator (VIC & TAS)

Anna Marinovich

**Membership Administrator
(NSW & ACT)**

Kate Sayeg

Team Administrator (NSW & ACT)

Kristina Calisin

Peer Networks Executive

Vicki Norton

Policy & Research

Policy & Research Manager

Sarah Wickham

Policy Advisor

Krystian Seibert

Marketing & Communications

Marketing & Communications Manager

Megan Hannan

Storyteller

Nick Richardson

Marketing Officer

James O'Callaghan

Project Support Officer

Megan Kelly

Programs & Partnerships

Partnerships & Corporate

Events Manager

Giselle Pinto

Administration Officer

Sarah Sorola

Finance & Operations

Finance & ICT/CRM Officer

Mal Lewis

Finance & Administration Officer

Anantha Vedavatha

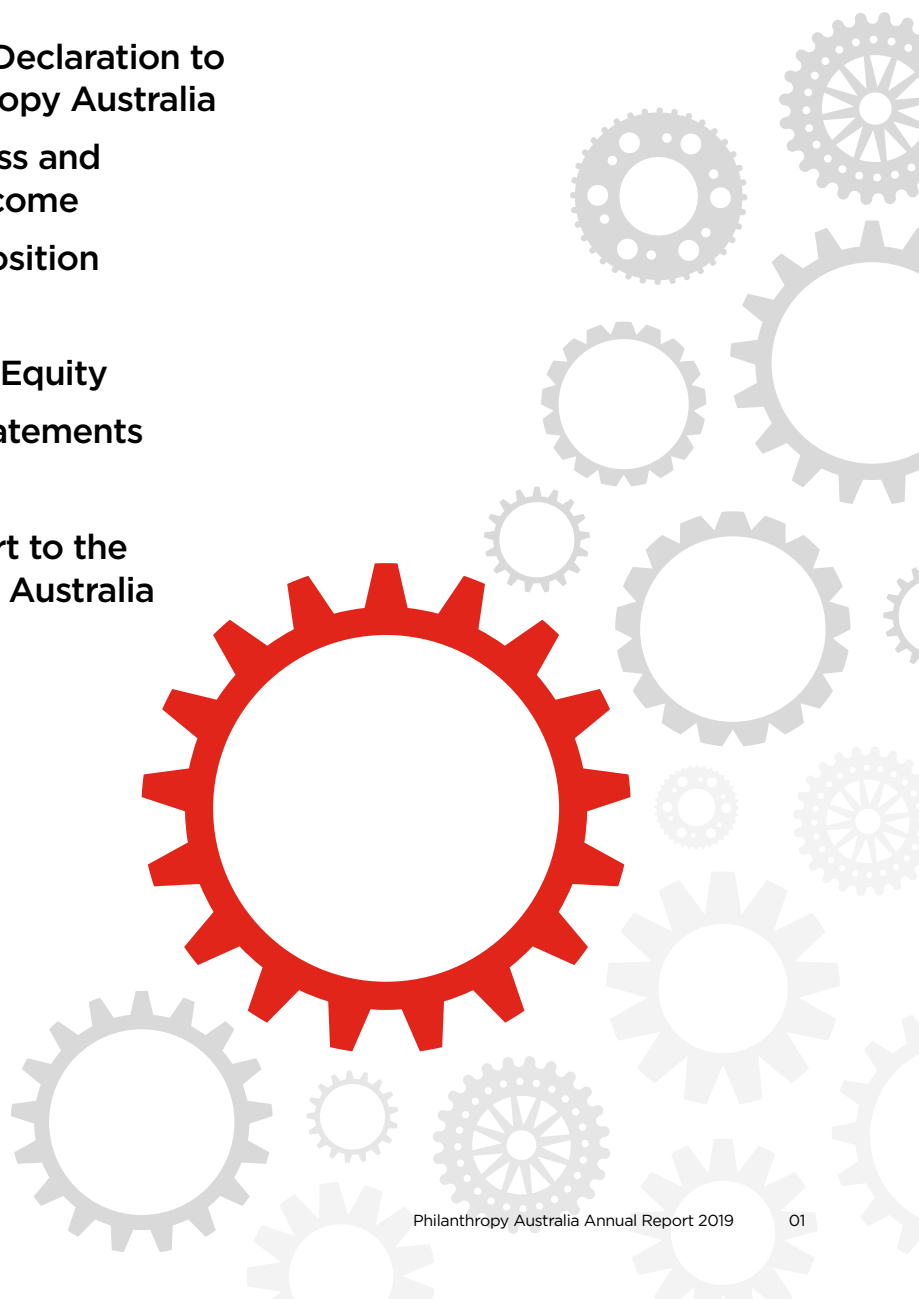
* All staff and Board biographies can
be found at [www.philanthropy.org.au/
about-us](http://www.philanthropy.org.au/about-us)

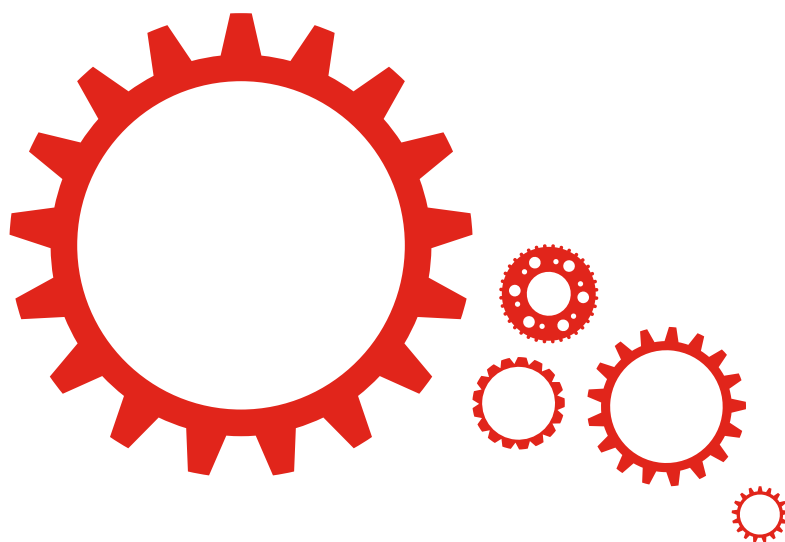
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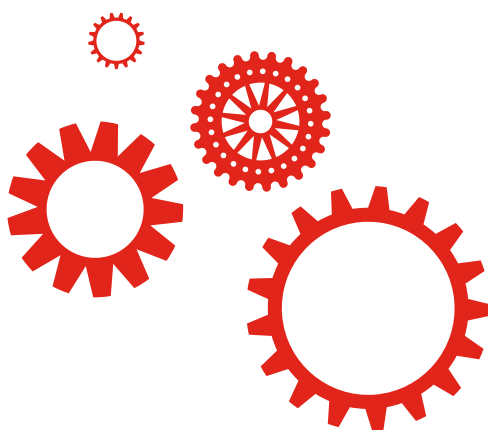
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**Serving the philanthropic
community to achieve more
and better philanthropy.**



Co-Chairs' Report



Amanda Miller, Co-Chair



Ann Johnson, Co-Chair

It has been almost 12 months since we took on the role of Co-Chairs at Philanthropy Australia, following five years of hard work, energy and vision from our predecessor Alan Schwartz. So much of what we inherited is part of Alan's wonderful legacy.

A Co-Chair model is a first for Philanthropy Australia and it is working well. Our shared responsibility has presented a fresh way of looking at what we do and how we do it. Philanthropy at its best is a collaborative activity and we feel privileged to demonstrate the potential of a shared governance role in our philanthropic community.

Last year was a year of positive energy and activity as Philanthropy Australia continued its work with members to drive more and better philanthropy. The Board has encouraged CEO Sarah Davies to pursue a bold vision for philanthropy in Australia. The organisation continued its work on an effective policy environment for philanthropy, investing resources in a government relations and policy agenda that included the successful delivery of a 'Top 10 priorities for the Federal Election' campaign as well as the popular Philanthropy Meets Parliament Summit in Canberra. A new funder network model was piloted in 2019 to provide support for members who wish to collaborate on grantmaking and advocacy in international philanthropy. Many of our members attended one of the many thought leadership events or took part in other programs offered in 2019.

The key to Philanthropy Australia's ability to continue investing in ambitious projects and programs is the generosity of many of our members. It is because of the partnerships with key members and the financial support of 23 Philanthropy Champions in 2019 that the organisation has been able to plan and deliver on such an ambitious agenda with confidence. Our Philanthropy Champions, through their own relationships and networks, have not only supported our policy agenda and the advancement of Australian giving, they have provided critical representation and advocacy for the sector.

Thank you to both our partners and Philanthropy Champions. So much of our work would not be possible without your ongoing support.

The strength of our organisation comes from its membership. Our members provide the leadership, practice and thinking to drive philanthropy in Australia. Change takes place through the partnerships and programs they establish. Everything Philanthropy Australia does to promote and enable more and better giving is based on the work of members. We thank you, our members, for the support you provide through your membership.

Many members support our organisation beyond their membership by helping with the design and delivery of projects and programs. We are grateful to all of you who work collaboratively with Philanthropy Australia by speaking at events and conferences, providing content for case studies and media profiles, sharing your resources and grant data on the Better Giving Hub, providing venues and in kind support for our activities, serving on reference groups, selection panels and committees. Collaboration lies at the heart of successful philanthropy.

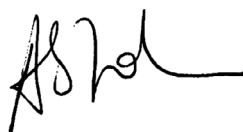
In 2019 we welcomed three new members to the Philanthropy Australia Board: Michael Barr, Tabitha Lovett and Stacey Thomas. At our AGM this year we will farewell Genevieve Timmons, whose wise counsel and guidance the Board had the privilege of sharing since 2013. Genevieve has made a significant contribution to Philanthropy Australia and the sector during this time, particularly through her leadership as inaugural Chair of the Australian Philanthropy Awards and her development and delivery of many professional development initiatives.

On behalf of the Board we thank our CEO Sarah Davies for outstanding leadership. Her passion and energy continue to inspire our members as well as the Philanthropy Australia staff, whom we thank for their hard work and unstinting efforts in bringing Philanthropy Australia's vision and purpose to life. Thank you to the highly skilled and talented Philanthropy Australia Board, who volunteer their time and skills to pursue Philanthropy Australia's goal of more and better philanthropy.

Philanthropy Australia will continue to pursue an ambitious agenda in 2020. The programs, projects and initiatives are designed to support you, the members. Through our members we will grow giving in Australia in such a way that it has positive and lasting impact on our communities.



Amanda Miller
Co-Chair



Ann Johnson
Co-Chair

Chief Executive Officer's Report



There has rarely been a time in recent memory when philanthropy has been more topical and featured so prominently in the public debate. At Philanthropy Australia we have spent the past year striving to engage, illuminate and connect across a range of our loyal members and new-found friends in our role to promote more and better philanthropy.

It has been an intensive and rewarding 12 months. We have carved good inroads into raising awareness and understanding of philanthropy in the broader community and ensuring our givers and changemakers are given appropriate recognition for the vital work that they do.

As the peak body, we have taken an active role in advocating to government. We established a new benchmark with the Policy and Advocacy agenda that we rolled out in May, as part of our first ever comprehensive election strategy for a federal poll. We continued that work by providing considered perspectives on issues relevant to our members through public submissions to Government inquiries.

Our Philanthropy meets Parliament Summit in Canberra in September was the logical extension of the debate around many of these issues, with 300 delegates coming together to engage with ideas about the role of philanthropy

in the service of democracy. We were fortunate to not only have a host of outstanding Australian speakers at the Summit but also two accomplished keynotes – Karl Zinsmeister from the Philanthropy Roundtable in the USA and Sevaun Palvetzian from CivicAction in Canada – bringing two vastly different perspectives and practices of philanthropy to the room.

We celebrated best-practice philanthropy with the Australian Philanthropy Awards that recognised the achievements of our spectacular nominees and recipients. Seven award categories highlighted unique and compelling instances of great philanthropy, ranging from an Indigenous women rangers' program in northern Australia to a community initiative to rehabilitate Bourke. The awards provided a great opportunity for mainstream media to get a good insight in to how philanthropy can drive positive community change. At the end of a stunning evening at the Art Gallery NSW, we announced Brisbane art gallery owner and arts patron, Philip Bacon, as the Philanthropist of the Year.

We delivered value for members with a full program of innovative events, including our Thought Leadership series, featuring a range of international and national guests. In the digital sphere, the Better Giving Hub continued to evolve, with new content, ideas and resources, including the launch of the Online Advocacy Toolkit, which provides insights, videos and resources for members to use in considering and deploying a range of advocacy techniques either directly or through their grantmaking.

We also released the new Foundation Maps: Australia Dashboard into the wild; this clever visual tool draws upon the collaborative database of grants

our community is building in Foundation Maps: Australia to give the public a snapshot of giving in Australia. I encourage all our members, large and small, to continue adding their grants and Foundation data to help us build a truly insightful picture of the sector.

My special thanks to our Co-Chairs, Ann Johnson and Amanda Miller, and our board who provide the wisdom and expertise to ensure we keep delivering. They are supported by a great team at Philanthropy Australia and we, are in turn, deeply grateful to our partners and Philanthropy Champions who make our work possible. And of course – thank you to you, our members. You are at the centre of mission, and the heart of Philanthropy Australia.







2020 is already proving to be a challenging year, on many different fronts, for communities across Australia and around the world. Philanthropy will have a critical role to play in helping our communities move through and recover from these challenges, and build community resilience moving forward.

We are also entering a period of great complexity, with the nation's largest intergenerational transfer of wealth to occur during the next decade. We're ready to be part of the debate and create a blueprint that will lay out the foundational roadmap for today and tomorrow's philanthropist to achieve a more giving Australia.

A stylized, handwritten signature of Sarah Davies in black ink.

Sarah Davies
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.
-

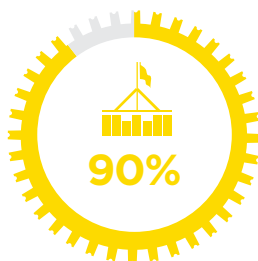
2019 Action Plan Achievements



LEADERSHIP AND ADVOCACY

Provide an informed and prominent voice for the sector.

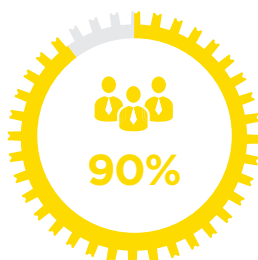
- Delivered several advocacy and policy initiatives both defending and advocating philanthropy's vital role in democracy and society through following government inquiries.
- Delivered a strategic policy and advocacy agenda for our sector including our Top 10 Policies for a More Giving Australia.
- Developed a new Government Relations and Advocacy Strategy for the term on the Morrison Government.
- Strong support and engagement from Philanthropy Champions with our Federal Election Strategy, continued policy development and major projects.
- Launched the Online Advocacy Toolkit to help our members consider how advocacy can be part of their granting strategy.
- Delivered an Annual Policy update to members in SA, QLD, WA, ACT, NSW and VIC.
- Fundraised and scoped Philanthropy Australia's new Blueprint for Growing Structured Giving in Australia.
- Maintained and progressed a strong social, digital and traditional media presence.



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.



Lead the development of a blueprint, strategy and action plan to scale participation in and impact of philanthropy.



Be a leading voice for members on the next phase of Philanthropy Australia's policy and advocacy aspirations and agenda.



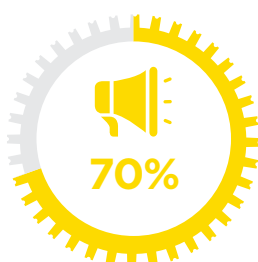
Provide support and learning through leadership programs that enable members' practice of effective advocacy.



Engage with members to seek their views on policy issues; brief them on policy developments, trends and Philanthropy Australia's advocacy activities.



Engage actively with Philanthropy Champions to build a coalition of influencers that will advance philanthropy.



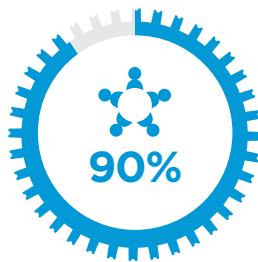
Build awareness of the role and contribution of philanthropy in society through events, media, public comment and stories.



CONNECTING AND CONVENING

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

- Australian Philanthropy Awards and Philanthropy Meets Parliament Summit attracted attendees from all over Australia.
- 27 National Peer Network meetings held.
- Chapter network concept approved by the Board and first pilot underway with Australian International Development Network (AIDN).
- 3 Thought Leadership roadshows delivered, featuring Liz Gillies (Menzies Foundation), Center for Evaluation Innovation, and Abigail Scott Paul (Joseph Rowntree Foundation).
- 47 editions of Philanthropy Weekly delivered to members.
- Well attended end of year events held in Adelaide, Brisbane, Sydney and Melbourne.
- 7 New Gen Network events delivered and mentoring connections established for New Gen members.
- New Gen Accelerator Program developed in conjunction with QUT.



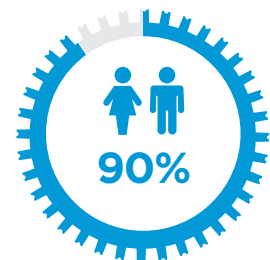
Engage members by delivering a national event and engagement program to deepen knowledge, share experiences and foster collaboration.



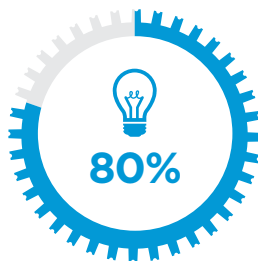
Extend the funder network model to support highly active and engaged members who want to collaborate through strategy, grant-making and advocacy.



Provide two national programs of thought-leadership activities for members.



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



Deliver a New Gen to build the next generation of givers.

2019 Action Plan Achievements



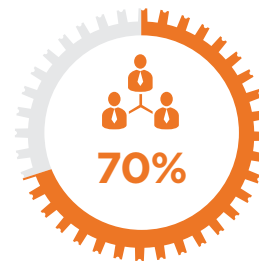
DATA AND INSIGHT

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

- Data representing over 13,000 grants contributing over \$840M for social and environmental good shared in Foundation Maps: Australia.
- Continued growth in the number of foundations participating, with 54 foundations represented on the map.
- Foundation Maps Dashboard launched to the public in November.
- On track to deliver the Economic Case for Philanthropy Research during 2020.



Build on a successful launch of 'Foundations Maps: Australia' to grow its data and increase its use and insights.



Launch the results of the Economic Case for Philanthropy Research Project and engage members in the next steps.



PROFESSIONAL LEARNING AND SERVICES

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

- Philanthropy Meets Parliament Summit held in Canberra on 18 - 19 September with 312 delegates across both days.
- Private Giving Study Tour undertaken in Canada from 15-25 October with 16 participants representing 10 different organisations.
- 13 professional learning courses delivered in Sydney and Melbourne, with the program to be reviewed in 2020.
- Decision made to cease offering philanthropic fee-for-service consultancies, while continuing to recommend preferred consultants to help connect members with the right resources and expertise.



Deepen member development through the Private Giving Study Tour 2019 to Canada.



Provide a targeted and integrated series of Philanthropic Learning Programs (PLP) to develop and advance professional practice across the full philanthropic spectrum.



Deliver a successful Philanthropy meets Parliament Summit which:

- enhances mutual understanding of how philanthropy and government could work better together
- promotes and shares leading thinking, innovation and best practice in philanthropy
- explores the mechanisms and case studies leading to effective philanthropy
- provides an opportunity for networking, peer learning and discussion of issues and current themes.



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

2019 Action Plan Achievements



BETTER GIVING HUB

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

- Integrated content planning implemented to connect content across the website and the Better Giving Hub.
- Increased member-only content shared on Better Giving Hub.
- Work underway to enhance Better Giving Hub functionality and accessibility.
- Membership Renewal process 2019 completed digitally through the Better Giving Hub.
- Training held for staff to provide increased support to members in understanding and navigating the Better Giving Hub.



Integrate our website and the BGH in a connected and coherent package of content and functionality.



Build member usage and familiarity with the BGH through content delivery, member training and opportunities for collaboration.



ORGANISATION EFFECTIVENESS

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

- Surplus delivered against budgeted loss.
- Staff training, engagement survey and professional development plan completed.
- Strong partnerships with and support from Philanthropy Champions and members for key strategic projects.
- Continued improvement of our IT infrastructure into the Cloud and CRM improvements.
- Team training undertaken toward developing an effective evaluation culture.
- Transition to company limited by guarantee completed and compliance requirements fulfilled and reported.



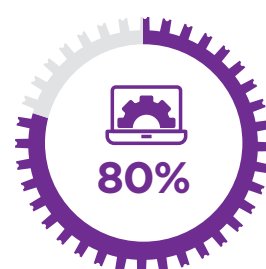
Deliver the Action plan and four year strategy within the agreed budget and resources.



Cultivate sponsorships and partnerships aligned with our 2019 activities to facilitate research, data, policy and advocacy.



Ensure a strong, healthy culture that attracts, motivates and retains a talented high performing team.



Evaluate the existing four year IT plan to ensure infrastructure and systems are meeting and supporting business needs.



Ensure effective governance and full compliance against regulatory and statutory requirements.



Develop an effective evaluation culture and process for continual learning.

2020 Action Plan

LEADERSHIP & ADVOCACY

Provide an informed and prominent voice for the sector.

OBJECTIVES

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.

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

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

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

CONNECTING & CONVENING

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

OBJECTIVES

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

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

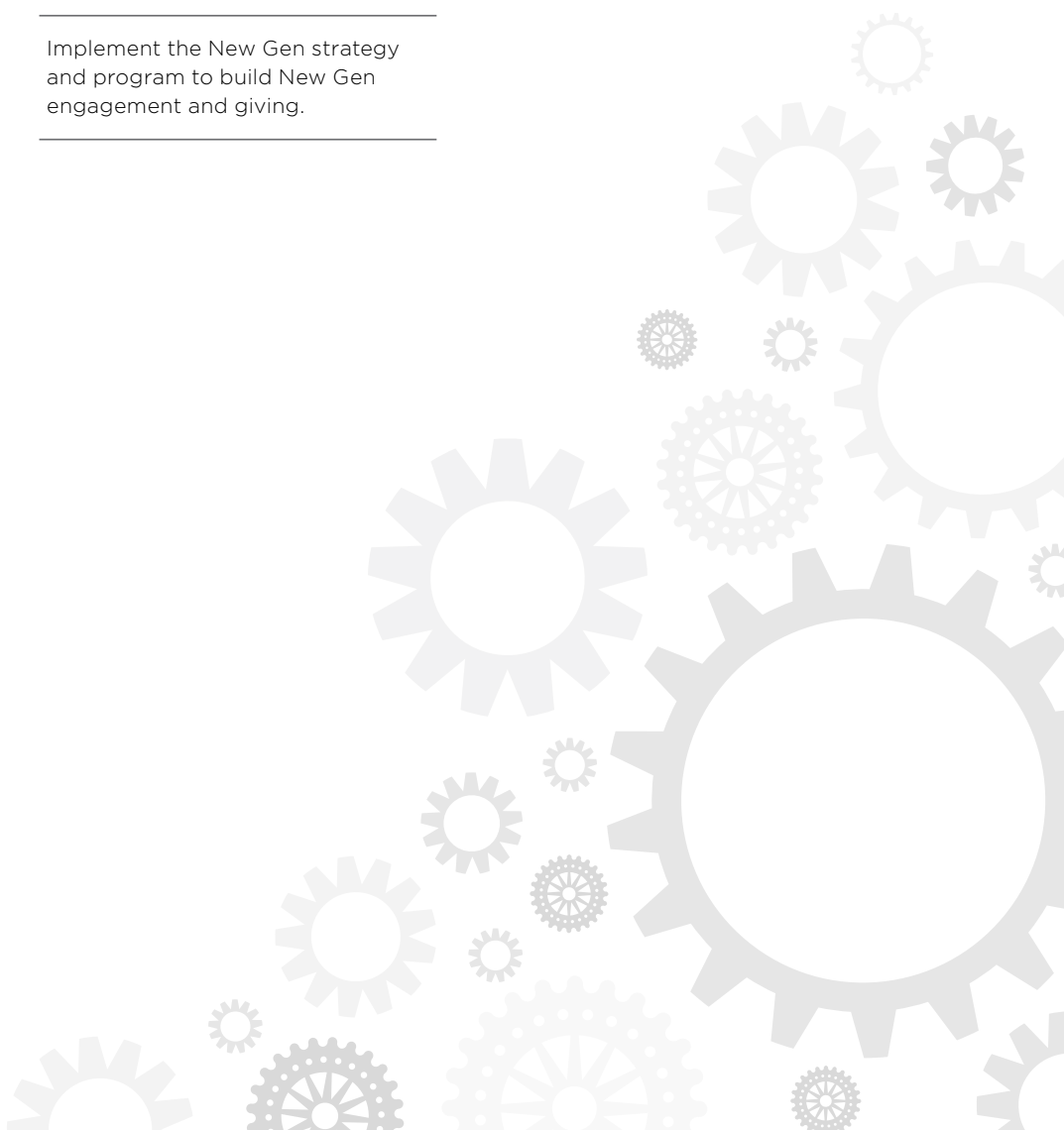
Implement the New Gen strategy and program to build New Gen engagement and giving.

DATA & INSIGHT

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

OBJECTIVES

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



PROFESSIONAL LEARNING

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

OBJECTIVES

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.

BETTER GIVING HUB & WEBSITE

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

OBJECTIVES

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.

OBJECTIVES

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 2019

We would like to acknowledge the generous and valuable support from the following individuals and organisations in 2019 and thank them for their partnership.

OFFICES

Adelaide

The Wyatt Trust

Brisbane

Tim Fairfax Family Foundation

Melbourne

ANZ

Sydney

Westpac

PHILANTHROPY CHAMPIONS

ANZ

Collier Charitable Fund

English Family Foundation

Fay Fuller Foundation

Gandel Philanthropy

Helen Macpherson Smith Trust

Hunt Family Foundation

McLeod Family Foundation

Nelson Meers Foundation

Panthera Foundation

Paul Ramsay Foundation

Perpetual

The Caledonia Foundation

The Ian Potter Foundation

The McLean Foundation

The R E 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 Social Impact

AUSTRALIAN PHILANTHROPY AWARDS 2019

Best Large Grant Sponsor

Deakin University

Environmental Philanthropy Award Partner

Australian Environmental
Grantmakers Network

Gender-wise Philanthropy Award Sponsor

Netwealth Investments Limited

Indigenous Philanthropy Award Partner

Ninti One

Event partner

Art Gallery NSW

BETTER GIVING HUB

Gandel Philanthropy

Paul Ramsay Foundation

BLUEPRINT FOR PHILANTHROPY

Paul Ramsay Foundation

Perpetual

ECONOMIC CASE FOR PHILANTHROPY

Paul Ramsay Foundation

The Ian Potter Foundation

END OF YEAR EVENTS

Adelaide

Mutual Trust

Brisbane

QUT

Melbourne

Perpetual

Sydney

Perpetual

FOUNDATION MAPS AUSTRALIA

Gandel Philanthropy
Paul Ramsay Foundation
Perpetual
The Ian Potter Foundation

**FOUNDATION MAPS AUSTRALIA
- DASHBOARDS**

Fouress Foundation

**GENERAL SUPPORT TO
PHILANTHROPY AUSTRALIA**

Panthera Foundation

**THOUGHT LEADERSHIP
PROGRAM (CENTER FOR
EVALUATION INNOVATION)**

Paul Ramsay Foundation

**THOUGHT LEADERSHIP
PROGRAM
(JOSEPH****ROWNTREE FOUNDATION)**

Australian Council of Social Service
(ACOSS) and The Wyatt Trust

ONLINE ADVOCACY TOOLKIT

Reichstein Foundation
The Myer Foundation

**OPEN LETTER - THE ULURU
STATEMENT FROM THE HEART**

The Balnaves Foundation
The R E Ross Trust
The Snow Foundation
The Wyatt Trust
Wheelton Social Impact

**PHILANTHROPY MEETS
PARLIAMENT SUMMIT 2019****Principal Partner**

Paul Ramsay Foundation

Supporting Partner

Cooper Investors &
MaiTri Foundation

Networking Partner

Teach For Australia

Learning Partner

Australian Executor Trustees

In-kind Supporter

Museum of Australian Democracy
at Old Parliament House

STORYTELLING INITIATIVE

Day Family Foundation
Ruffin Falkiner Foundation
The Balnaves Foundation
Tim Fairfax AC
Wheelton Social Impact

**2019 ANNUAL GENERAL
MEETING****Venue Host**

NAB

Secretary

Nicolas Crowhurst,
Collaboratus Group

BOARD MEETING HOSTS

Gilbert + Tobin
Macquarie Bank

OPERATIONAL PARTNERS

Herbert Smith Freehills
IT Strategic

VENUE HOSTS

Australian Centre for the
Moving Image
Australian Academy of Science
Australian Communities Foundation
Art Gallery NSW
Australia Post
Australian Museum
Beyond Bank
C3 Convention Centre
Centre for Excellence in
Child & Family Welfare Inc

Cooper Investors
Cranlana Melbourne
Deakin University
E.L. & C. Baillieu
Elston Private Wealth
Equity Trustees
Goodman Private Wealth
Herbert Smith Freehills
HLB Mann Judd
JBWere
Koda Capital
KPMG
Lipman Karas
Lendlease
Lord Mayor's Charitable Foundation
Macquarie Group
Melbourne Business School
Microsoft Reactor Sydney
Mutual Trust
NAB
Origin Foundation
Perpetual
PwC
QUT
Australian Schools Plus
State Library of NSW
Swinburne University
Tasmania Community Fund
Telstra
The Australian Academy of Science
The Pure Collective
The Wyatt Trust
Tim Fairfax Family Foundation
Uniting Communities
University of Adelaide
VicHealth
Victoria University
Vincent Fairfax Family Foundation
Victorian College of the Arts
Westpac

Board Members' Report

For the Year Ended 31 December 2019

The Board of Philanthropy Australia submits the financial report for the year ended 31 December 2019.

BOARD MEMBERS

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

Five Board meetings were held during the financial year. Attendances by Board members were as follows:

		Board Meetings	
	Appointed/Resigned	Number eligible to attend	Number attended
Alan Schwartz AM	Resigned 19 May 2019	2	2
Allan English	Resigned 21 May 2019	2	1
Amanda Miller		5	5
Andrew Craig Winkler		5	4
Ann Johnson		5	4
Ann Sherry AO	Resigned 21 May 2019	2	0
Caroline Stewart		5	5
Danny Gilbert	Resigned 15 February 2019	0	0
Genevieve Timmons		5	4
Jennifer Stephens		5	5
John McLeod		5	5
Joseph Skrzynski AO		5	4
Kirsty Allen		5	4
Lisa George		5	4
Michael Barr	Joined April 2019	3	3
Stacey Thomas	Joined April 2019	3	3
Tabitha Lovett	Joined April 2019	3	3

Philanthropy Australia has 3 Board-appointed committees that meet periodically throughout the year. The regular committees and members as at 31 December 2019 were as follows:

Finance, Audit, Risk & Compliance

John McLeod (Chair), Caroline Stewart, Kirsty Allen, Jay Bonnington and Michael Barr.

Governance & Nominations

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

Policy & Research

Joseph Skrzynski AO (Chair), Robert McLean AM, John Daley, Tabitha Lovett, John Spierings, 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
- providing information to those seeking to understand, access or partner with the philanthropic sector.

The organisation works Australia-wide from offices 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.

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, conference and master classes.
- 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 2019

Key Financial and Performance results for year-ended 2019

Philanthropy Australia's evolution of its business model continued into 2019, developed to support achievement of its 2017-2021 strategic goals, as well as our financial sustainability. The business model identifies two symbiotic components:

- (i) Serving Members – relating to the strategic priorities of connecting and convening, our national Philanthropy Meets Parliament Summit, the Australian Philanthropy Awards, professional learning and our digital membership platform, the Better Giving Hub containing giving data within Foundation Maps Australia. The revenue from membership fees and activities aims to cover all costs associated with delivery of these membership services; and
- (ii) Advancing Philanthropy – relating to the strategic priorities of leadership and advocacy, research, data and insight, and strategic projects and collaborations which advance more and better philanthropy. These initiatives are funded by project donations, grants and capacity building support, as well as by the contributions from Philanthropy Champions.

The 2019 budget had been structured to allow Philanthropy Australia to efficiently and effectively deliver on its strategic priorities.

Philanthropy Australia receives funding for specific projects which is 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 do not allow income to be deferred into the years in which the work will be undertaken, we have recognised this income as a 'surplus' but have noted these as 'restricted funds' within the Profit and Loss Statement and the Equity statement. Where accounting standards allow us to defer income, this has been included in our Statement of Financial Position.

At the end of 2019, Philanthropy Australia had an unrestricted loss from normal operations of \$(3,993) (excluding restricted funds tied to future years projects). PA had been spending funds in 2019 on operating activities where funding had been received and accounted for in prior years.

Philanthropy Australia also received funds restricted for projects continuing into future years, a surplus of funds in 2019 of \$453,629 and carrying forward in reserves an end of year balance of \$628,929 for expenses of these projects in future years. Together, they make up the 2019 end of year surplus position of a \$449,636 (FY18 \$531,419).

Philanthropy Australia developed clear targets for partnership income for our strategic projects, member and Thought-leader events, Australian Philanthropy Awards and our Philanthropy Meets Parliament Summit.

Our 23 philanthropy leaders, Philanthropy Champions, have provided Philanthropy Australia capacity funding for three years between 2017 to 2019, developing our Advancing Philanthropy policy, research and advocacy strategies and under-pinning the organisation through the business transition for a more sustainable membership services model, improving our ongoing financial stability of our operating reserves. In 2019, our Champions provided \$535,000 of funding.

Our income remained steady against last year, at \$4.158 million. The PMP Summit was run at a 15% surplus of revenue, providing funds towards operations.

PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

Revenue and Expenditure by Type and Strategic Activity

	Restricted \$	Unrestricted \$	2019 \$	2018 \$
INCOME				
Connect and Convene – Membership Services	285,000	1,340,139	1,625,139	1,299,634
Leadership – PA Awards, Summit, Storytelling, Champions	230,000	875,332	1,105,332	1,609,764
Policy, Advocacy, Data and Research	164,687	37,706	202,393	535,950
Professional Learning		149,388	149,388	49,967
Philanthropic services and programs		40,722	40,722	113,627
Collaboration grants and costs	219,750	554,500	774,250	434,303
Governance and Operations		261,165	261,165	216,660
Total Income	899,437	3,258,952	4,158,389	4,259,905
EXPENDITURE				
Connect and Convene – Membership Services	(78,726)	(1,159,225)	(1,237,951)	(1,047,992)
Leadership – PA Awards, Summit, Storytelling	(75,300)	(311,337)	(386,637)	(717,291)
Policy, Advocacy, Data and Research	(69,032)	(294,504)	(363,535)	(563,975)
Professional Learning		(147,715)	(147,715)	(77,145)
Philanthropic services and programs		(53,622)	(53,622)	(90,834)
Collaboration grants and costs	(222,750)	(541,375)	(764,125)	(409,303)
Governance and Operations		(755,167)	(755,167)	(821,946)
Total Expenses	(445,808)	(3,262,945)	(3,708,753)	(3,728,486)
Total Surplus (Deficit)	453,629	(3,993)	449,636	531,419

Our membership fees were \$1.191 million (FY18 1.028 million). Membership numbers grew in 2019 by 13%. Philanthropy Australia welcomed 17 community foundations into the membership.

MEMBERS	2019	2018	2017	2016
Number of new members	136	141	87	158
Number of continuing members	533	462	495	478
New Gen members	57	37	83	159
Total Members	726	640	665	795

Expenditure was controlled and aligned to our budget plans for 2019. Our PMP Summit is smaller than the bi-annual Conference, so our events & marketing expenditure was smaller. We expanded our FTE team and headcount to deliver on our strategic goals.

PA had a number of new collaborative partnerships and started two Funder Chapter networks, focused on the development of better practices around giving for specific purposes. Funds received, and grants made, to support these partnerships will provide for more and better philanthropy in the future.

Board Members' Report continued

For the Year Ended 31 December 2019

INFORMATION ON OTHER KEY NON-BOARD MEMBERS

Sarah Davies, CEO

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

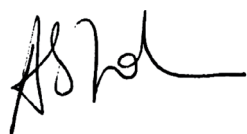
John McLeod, Finance, Audit, Risk and Compliance Committee (FARCC) Chair

Elizabeth O'Brien completed her 3 years as Treasurer in February 2019, and PA thanks Liz for her services. 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.

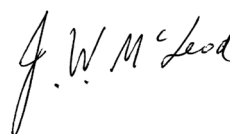
Signed in accordance with a resolution of the Members of the Board:



Ann Johnson
Co-Chair



Amanda Miller
Co-Chair



John McLeod
Finance, Audit, Risk and
Compliance Committee Chair

Dated 5 March 2020



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 2019, 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

Saward Dawson

Jeffrey Tulk

Jeffrey Tulk
Partner

Blackburn VIC
Dated: 5 March 2020

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
INCOME			
Member fees		1,190,512	1,028,878
Subscriptions (Online directory)		42,582	51,977
Grants, donations and sponsorships	2	1,671,450	1,905,487
Collaboration grants and donations		774,250	377,000
Summit 2019 registrations		186,182	570,446
Thought-leader events and member programs		154,783	102,074
Philanthropic Services consulting and other income		107,233	200,275
Interest income		31,398	23,768
Total Revenue		4,158,389	4,259,905
EXPENDITURE			
Events and Programs		(172,552)	(330,219)
Marketing and Communications		(86,539)	(121,662)
Travel and Accommodation		(175,315)	(145,375)
Premises (In-kind) and Rent	2	(178,337)	(172,940)
Finance and Administration		(99,862)	(174,090)
ICT, CRM and Digital		(109,068)	(108,850)
Auditors remuneration		(6,868)	(6,100)
Depreciation and amortisation		(16,341)	(12,560)
Consultants Projects		(140,129)	(328,263)
Personnel benefits		(1,852,819)	(1,890,708)
HR and Culture		(116,174)	(85,219)
Grants and Donations		(754,750)	(352,500)
Total Expenses		(3,708,753)	(3,728,486)
Surplus from continuing operations		449,636	531,419
Other comprehensive income for the year		-	-
Total surplus and comprehensive income for the year		449,636	531,419

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

Statement of Financial Position

As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,293,727	1,296,527
Trade and other receivables	4	58,448	47,256
Financial assets	5	1,910,493	904,875
Other assets	7	96,468	21,183
TOTAL CURRENT ASSETS		3,359,136	2,269,841
NON-CURRENT ASSETS			
Property, plant and equipment	6	24,622	29,268
TOTAL NON-CURRENT ASSETS		24,622	29,268
TOTAL ASSETS		3,383,758	2,299,109
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	157,528	187,601
Income in Advance	9	1,191,512	532,935
Employee benefits	10	123,477	126,801
TOTAL CURRENT LIABILITIES		1,472,517	847,338
NON-CURRENT LIABILITIES			
Income in Advance	9	3,233	-
Employee benefits	10	28,307	21,707
TOTAL NON-CURRENT LIABILITIES		31,540	21,707
TOTAL LIABILITIES		1,504,057	869,045
NET ASSETS		1,879,700	1,430,064
EQUITY			
Retained surplus		1,430,064	898,645
Surplus from general operations		(3,993)	186,419
Surplus restricted for future operations		453,629	345,000
Total Surplus/(Deficit) Current Year		449,636	531,419
TOTAL EQUITY		1,879,700	1,430,064

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

Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and membership events and programs		1,655,509	1,640,679
Sponsorships, donations and grants received		2,952,735	1,918,358
Payments to suppliers and employees		(3,623,284)	(3,309,011)
Interest and Other Income received		29,552	22,005
Net cash provided by (used in) operating activities	15	1,014,512	272,031
CASH FLOWS FROM INVESTING ACTIVITIES			
Net placement of term deposits		(1,005,618)	101,096
Purchase of property, plant and equipment		(11,694)	(20,281)
Net cash used by investing activities		(1,017,312)	80,815
Net increase/(decrease) in cash and cash equivalents held		(2,800)	352,846
Cash and cash equivalents at beginning of year		1,296,527	943,681
Cash and cash equivalents at end of financial year	3	1,293,727	1,296,527

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 2019

	Restricted Funds Reserve \$	Unrestricted Reserve \$	Retained Surpluses \$
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
2018			
Balance at 1 January 2018	150,415	748,230	898,645
Surplus for the year	345,000	186,419	531,419
Transfer Restricted funds used during 2018	(95,415)	95,415	-
Balance at 31 December 2018	400,000	1,030,064	1,430,064

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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

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.

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.

Notes to the Financial Statements continued

For the Year Ended 31 December 2019

(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).

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)
- equity instruments at fair value through other comprehensive income (FVOCI).

Classifications are determined by both:

- The entities business model for managing the financial asset
- 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
- 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.

Notes to the Financial Statements **continued**

For the Year Ended 31 December 2019

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.
- **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.

New and Amended Accounting Policies Adopted by the Company

The Company has applied AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not-for-Profit Entities and AASB 16: Leases. The adoption of these standards has not caused material adjustments to the financial position, performance and cash flow of the company as outlined above. No adjustments were also made to the comparative figures.

	2019 \$	2018 \$
--	------------	------------

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)	41,600	41,600
ANZ (Melbourne office)	100,800	100,800
The Wyatt Trust (Adelaide office)	15,600	15,600
Tim Fairfax Family Foundation (Queensland Office)	14,400	14,400
Total In-Kind Sponsorships	172,400	172,400
Grants and Donations	1,452,550	1,592,610
Sponsorships	46,500	140,477
Total Grants Donations and Sponsorships	1,671,450	1,905,487

3 CASH AND CASH EQUIVALENTS

Cash on hand	286	94
Cash at bank	1,293,441	1,296,433
Total cash and cash equivalent	1,293,727	1,296,527

4 TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	25,756	39,866
Other receivables	32,692	7,390
Total current trade and other receivables	58,448	47,256

5 FINANCIAL ASSETS

Bank Term Deposits	1,910,493	904,875
Total other financial assets	1,910,493	904,875

Notes to the Financial Statements continued

For the Year Ended 31 December 2019

	2019 \$	2018 \$
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 and IT equipment		
At cost	74,789	68,489
Less accumulated depreciation	(50,168)	(39,221)
Total office equipment	24,622	29,268
Software and CRM Development		
At cost	19,000	19,000
Less accumulated depreciation	(19,000)	(19,000)
Total office equipment	-	-
Total property, plant and equipment	24,622	29,268

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 \$	Office/IT Equipment \$	Software & CRM \$	Total \$
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
Year ended 31 December 2018				
Balance at the beginning of the year	-	-	21,547	21,547
Purchases/additions	-	-	20,281	20,281
Depreciation expense	-	-	(12,560)	(12,560)
Balance at the end of the year	-	-	29,268	29,268

	Note	2019 \$	2018 \$
7 OTHER CURRENT ASSETS			
Prepayments		96,468	21,183
Total		96,468	21,183

8 TRADE AND OTHER PAYABLES

Trade payables		86,344	111,455
Other payables		71,185	76,146
Total		157,528	187,601

9 INCOME IN ADVANCE

CURRENT LIABILITIES

Advance membership income		418,300	392,935
Advance grant, partnership and other program income	1(e), 9(a)	773,212	140,000
Total		1,191,512	532,935

Note 9(a) The increase in deferred grant income in 2019 has arisen due to one large partnership grant for distribution in early 2020.

NON-CURRENT LIABILITIES

Advance membership income		3,233	-
Total		3,233	-

10 EMPLOYEE BENEFITS

CURRENT LIABILITIES

Provision for annual leave		107,705	94,976
Superannuation payable		15,772	31,825
Total		123,477	94,976

NON-CURRENT LIABILITIES

Provision for long service leave		28,307	21,707
Total		28,307	21,707

In 2019, Philanthropy Australia finished the year with staff FTE 16.8, headcount 22 (2018: FTE 13.8, headcount 15).

Notes to the Financial Statements continued

For the Year Ended 31 December 2019

	2019 \$	2018 \$
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	16,380	27,942
Total	27,942	39,505

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 AASB139 detailed in the accounting policies to these financial statements are as follows:

	Note	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	3	1,293,727	1,296,527
Amortised-cost investments (Term deposits)	5	1,910,493	904,875
Trade and other receivables	4	58,448	47,256
Total		3,262,668	2,248,657
Financial liabilities at amortised cost			
- Trade and other payables	8	157,528	187,601
Total		157,528	187,601

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:

	2019 \$	2018 \$
Salaries and benefits	707,109	646,810
Superannuation	66,960	61,086
Total	774,069	707,896

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 2019 (31 December 2018: None).

15 CASH FLOW INFORMATION

	2019 \$	2018 \$
Reconciliation of net income to net cash provided by operating activities:		
Surplus/(deficit) for the year	449,636	531,419
Cash flows excluded from profit attributable to operating activities		
Non-cashflows in surplus		
- depreciation	16,341	12,560
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	6,812	88,689
- (increase)/decrease in prepayments & accruals	(64,691)	1,991
- increase/(decrease) in income in advance	633,211	(353,142)
- increase/(decrease) in trade and other payables	(71,230)	(58,100)
- increase/(decrease) in current employee benefits	37,833	49,050
- increase/(decrease) in non-current employee benefits	6,600	(436)
Cashflow from operations	1,014,512	272,031

16 EVENTS OCCURRING AFTER THE REPORTING DATE

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

17 RELATED PARTY DISCLOSURES

A payment of \$3,051 to Board member Genevieve Timmons for the delivery of the Savvy Giving seminars in Sydney & Melbourne was made.

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

18 COMPANY DETAILS

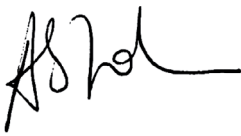
The registered office and principal place of business of the company is:

Philanthropy Australia
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:

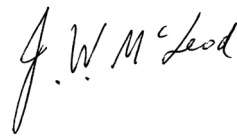
1. The financial report and notes as set out on pages 24 to 37 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and comply with *Accounting Standards – Reduced Disclosure Requirements*; and
2. give a true and fair view of the financial position as at 31 December 2019 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 5 March 2020



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 2019, 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 2019 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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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.
- 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.

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Philanthropy Australia
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Independent Audit Report to the members of Philanthropy Australia

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: 5 March 2020

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