



Australia

Make-A-Wish Foundation of Australia Ltd
ABN 97 006 497 632

Financial Report
31 August 2017

Make-A-Wish Foundation of Australia Ltd

For the period ended August 31st 2017

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Make-A-Wish Foundation of Australia Ltd

Director's Report

For the period ended August 31st 2017

The Directors present their report together with the financial report of the Make-A-Wish Foundation of Australia Ltd ("the Company"), for the financial period ended August 31st 2017 including the Auditor's Report.

1. Directors

The Directors of the Company at any time during or since the end of the financial period are:

Stephen Sharp (Chairperson, Member of the Finance Committee)

BEC, LL.B

Partner, Arnold Bloch Leibler Lawyers and Advisers

Russell Evans (Deputy Chairperson, Member of the Finance Committee)

BBus (Marketing), MBA

CEO, Wolters Kluwer, Asia Pacific & Brazil

Cath Mulcare (Treasurer, Chair of the Finance Committee, Company Secretary)

BEC (Accounting), FCA, MAICD

Managing Director SCLA Advisers Pty Limited; Director, SMSF Association

David Briskin (Member of the Finance Committee)*

BEC, LL.B

Director, Briskin Group of Companies; Director, Adairs Limited; Director, MJ Bale; Chairman, Melbourne Fashion Festival

Gerard Menses (CEO, Member of the Finance Committee)***

BA (hons)(Psychology), MA (Counselling), FAIM

Melinda Geertz

BA

CEO, Leo Burnett Melbourne; Director Wesley College

Vickie Lester

BA (hons)(Home Economics), Post Graduate Certificate (Education)

Russell Smith (Member of the Finance Committee)

Dr Peter Downie*

MBBS, FRACP

Head, Paediatric Haematology-Oncology; Director, Children's Cancer Centre; Senior Lecturer, Department of Paediatrics, Monash University

Hitesh Patel (Member of the Finance Committee)**

MBA (Accounting), BA (Economics), CPA (USA)

Health Care Compliance Officer, Johnson and Johnson Medical Pty Ltd

David Sharpe APM OAM**

Dip (Management, Business Management, Project Management)

CEO, Australian Sports Anti-Doping Authority

* Resigned from the Board 28th July 2017

** Appointed 26th May 2017

*** Resigned 20th October 2017

2. Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

| Director | Board | | Finance | |
|----------------|--------------------|----------|--------------------|----------|
| | Available Meetings | Attended | Available Meetings | Attended |
| Stephen Sharp | 6 | 5 | 5 | 4 |
| Russell Evans | 6 | 5 | 5 | 4 |
| Cath Mulcare | 6 | 4 | 5 | 5 |
| David Briskin | 6 | 5 | 5 | 5 |
| Gerard Menses | 6 | 6 | 5 | 5 |
| Melinda Geertz | 6 | 6 | 0 | 0 |
| Vickie Lester | 6 | 6 | 0 | 0 |
| Russell Smith | 6 | 6 | 1 | 1 |
| Peter Downie | 6 | 2 | 0 | 0 |
| Hitesh Patel | 2 | 1 | 1 | 0 |
| David Sharpe | 2 | 1 | 0 | 0 |

3. Principal Activities

The principal activity of the Company during the year was the granting of cherished wishes to children under 18 years of age who are suffering with a life threatening medical condition. The granting of the wish enriches the human experience with hope, strength and joy. There were no significant changes in the nature of the activities of the Company during the year.

4. Short and Long Term Objectives and Strategy of the Company

The Company's strategic objectives for the 2017 financial year and beyond are:

- To continue to support children on their wish journey (1,194 in 2016-17), with a continued focus on quality and not quantity. It is still our goal to achieve 2,000 wishes by 2024.
- Use our incredible wish stories to better explain the importance of our work.
- Ensure long term sustainability through key identified projects, namely, the Cohesive Fundraising, Data & Systems, Digital and Branch Support projects.

5. Performance Measurements of the company

The Directors meet regularly to monitor the performance of the Company. KPIs include growth in the number and quality of children on their wish journeys, increased fundraising revenue and cost optimisation and the embedding of child safe processes and compliance.

6. Operating and Financial Reviews

The company recorded a loss of \$487,303 for the period ended August 31st 2017. (2016 : \$1,441,275 loss for the 8 month reporting period, \$579,211 loss for the 12 months). The organisation is expecting to return to surplus in the new financial year.

7. Significant Changes in the State of Affairs

The Company is incorporated in Australia and is limited by guarantee. In the opinion of the Directors there was no significant change in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

8. Environmental Regulations

The Company does not have exposure to any significant environmental reporting requirements. The Company acknowledges its responsibility to environmental issues.

9. Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the period that have significantly affected or may significantly affect either:

- The entity's operations in future financial years;
- The results of those operations in future financial years; or
- The entity's state of affairs in future financial years.

10. Indemnification

The constitution of the Company provides for every Director, Chief Executive Officer, Secretary and other Officer to be indemnified out of the assets of the Company against any liability incurred by them in carrying out their duties.

11. Insurance Premiums

During the financial period the Company paid insurance premiums for Directors' and Officers' Liability insurance, details of which have not been disclosed due to confidentiality provisions contained in the insurance contract.

12. Member Contribution

The Company is a public company limited by guarantee. Each member of the Company undertakes to contribute an amount not exceeding \$20 in the event of the Company being wound up while a member, or within one year after ceasing to be a member. As at August 31st 2017 the number of members was 61 (31 August 2016: 65).

13. Non-Audit Services

During the period the Company's auditor did not change from Grant Thornton. Grant Thornton has not provided other services in addition to their statutory audit services.

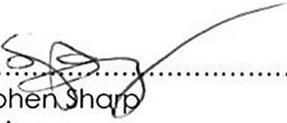
14. Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

15. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the financial period ended August 31st 2017.

This report is made with a resolution of the Directors.


.....
Stephen Sharp
Chairman


.....
Cath Mulcare
Treasurer

Dated at: Richmond, Victoria this 8th Day of August 2017

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Auditor's Independence Declaration to the Directors of Make-A-Wish Foundation of Australia Ltd

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Make-A-Wish Foundation of Australia for the year ended 31 August 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner - Audit & Assurance

Melbourne, 8 December 2017

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a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Liability limited by a scheme approved under Professional Standards Legislation.

Make-A-Wish Foundation of Australia Ltd
Statement of Financial Position
As at August 31st 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|-------------|-------------------|-------------------|
| Current Assets | | | |
| Cash and cash equivalents | 11 | 1,151,827 | 1,271,661 |
| Trade and other receivables | 10 | 874,716 | 544,211 |
| Other financial assets | 9 | 2,736,612 | 3,091,136 |
| Inventories | | 4,850 | 7,375 |
| Prepayments | | 597,139 | 585,086 |
| Total current assets | | 5,365,144 | 5,499,469 |
| Non-current Assets | | | |
| Property, plant and equipment | 7 | 151,763 | 196,370 |
| Intangible Assets | 7 | 662,968 | 814,070 |
| Total non-current assets | | 814,731 | 1,010,440 |
| Total assets | | 6,179,875 | 6,509,909 |
| Current Liabilities | | | |
| Trade and other payables | 16 | 1,170,495 | 962,373 |
| Employee benefits | 15 | 309,313 | 348,905 |
| Other financial liabilities | 17 | 500 | 500 |
| Total current liabilities | | 1,480,308 | 1,311,778 |
| Non-current Liabilities | | | |
| Employee benefits | 15 | 96,546 | 74,714 |
| Total non-current liabilities | | 96,546 | 74,714 |
| Total liabilities | | 1,576,854 | 1,386,492 |
| Net assets | | 4,603,021 | 5,123,417 |
| Equity | | | |
| Reserves | | | |
| Financial asset reserve | | (33,659) | (565) |
| | | (33,659) | (565) |
| Accumulated Funds | | | |
| Accumulated funds | 12 | 5,123,982 | 6,565,257 |
| Current year surplus / (deficit) | | (487,302) | (1,441,275) |
| | | 4,636,680 | 5,123,982 |
| Total equity | | 4,603,021 | 5,123,417 |

The accompanying notes on pages 11 to 27 form part of these financial statements

Make-A-Wish Foundation of Australia Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the period ended August 31st 2017

| | Note | 2017 12 months \$ | 2016 12 months \$ | 2016 8 months \$ |
|---|------|-------------------------|-------------------------|------------------------|
| Operations | | | | |
| <i>Revenue</i> | | | | |
| Public support | 4 | 13,575,701 | 13,819,770 | 8,800,821 |
| Special events | 4 | 2,483,052 | 2,959,956 | 1,766,554 |
| Less cost of direct benefit to donors | 4 | (618,695) | (705,639) | (503,817) |
| Other income | 5 | 204,359 | 223,642 | 165,366 |
| Total income | | 15,644,417 | 16,297,729 | 10,228,924 |
| <i>Expenses</i> | | | | |
| Wish services | | (9,519,864) | (9,201,489) | (6,228,915) |
| Support services: | | | | |
| Fundraising, Marketing and Communications | | (5,528,160) | (6,600,628) | (4,736,881) |
| Management and general Finance Costs | 6 | (1,083,695) | (1,074,823) | (704,403) |
| | | - | - | - |
| Total expenses | | (16,131,719) | (16,876,940) | (11,670,199) |
| Surplus / (Deficit) before income tax | | (487,302) | (579,211) | (1,441,275) |
| Income tax expense | 3L | - | - | - |
| Surplus / (Deficit) after income tax | | (487,302) | (579,211) | (1,441,275) |
| Other comprehensive income / (loss) | | | | |
| Items that may be re-classified subsequently to profit or loss | | | | |
| Net change in fair value of available-for-sale financial assets | | (33,094) | (565) | 5,832 |
| Other comprehensive income / (loss) for the period | | (33,094) | (565) | 5,832 |
| Total comprehensive income / (loss) for the period | | (520,396) | (579,776) | (1,435,443) |

The accompanying notes on pages 11 to 27 form part of these financial statements.

2016 12 month results are the 12 months ended 31 August 2016 and have been presented for comparative purposes.

Make-A-Wish Foundation of Australia Ltd
Statement of Changes in Equity
For the period ended August 31st 2017

| | <i>Note</i> | Reserves \$ | Retained Earnings \$ | Total Equity \$ |
|---|-------------|-----------------------|--------------------------------|---------------------------|
| Balance at 1 January 2016 | | (6,397) | 6,565,257 | 6,558,860 |
| Surplus / (Deficit) after tax | 12 | - | (1,441,275) | (1,441,275) |
| Other comprehensive income | | 5,832 | - | 5,832 |
| Total comprehensive income for the year | | 5,832 | (1,441,275) | 1,435,443 |
| Balance at 31 August 2016 | | (565) | 5,123,982 | 5,123,417 |
| | | | | |
| | <i>Note</i> | Reserves \$ | Retained Earnings \$ | Total Equity \$ |
| Balance at 1 September 2016 | | (565) | 5,123,982 | 5,123,417 |
| Surplus / (Deficit) after tax | 12 | - | (487,302) | (487,302) |
| Other comprehensive income | | (33,094) | - | (33,094) |
| Total comprehensive income for the period | | (33,094) | (487,302) | (520,396) |
| As at 31 August 2017 | | (33,659) | 4,636,680 | 4,603,021 |

The accompanying notes on pages 11 to 27 form part of these financial statements.

Make-A-Wish Foundation of Australia Ltd
Statement of Cash Flows
For the period ended August 31st 2017

| | 12 months 2017 \$ | 8 months 2016 \$ |
|--|----------------------------------|---------------------------------|
| Cash flows from operating activities | | |
| Cash receipts from donations and fundraising activities | 14,536,797 | 10,868,981 |
| Cash paid to suppliers and employees | (15,010,092) | (11,722,779) |
| Cash from / (used in) operations | (473,295) | (853,798) |
| Interest received | 122,601 | 143,153 |
| Interest paid | - | - |
| Net cash from / (used in) operating activities | (350,694) | (710,645) |
| Cash flows from investing activities | | |
| Payment for property, plant and equipment, and intangibles | (82,646) | (431,365) |
| Proceeds from sale of Assets | - | - |
| Increase in Placement of Investments | - | - |
| Proceeds from sale of AFS investments | 313,506 | 928,192 |
| Net cash from investing activities | 230,860 | 496,827 |
| Net increase / (decrease) in cash and cash equivalents | (119,834) | (213,818) |
| Cash and cash equivalents at 1 January for 2016 and 1 September for 2017 | 1,271,661 | 1,485,479 |
| Cash and cash equivalents at 31 August | 1,151,827 | 1,151,661 |

The accompanying notes on pages 11 to 27 form part of these financial statements.

1. General information and statement of compliance.

Make-A-Wish Foundation of Australia Ltd (the "Company") is an unlisted public company limited by guarantee incorporated and domiciled in Australia. The Company's registered office is 620 Church Street, Richmond, Victoria, Australia. The principal activity of the Company is granting of cherished Wishes to children under 18 years old who are suffering with a life threatening illness.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission 2012*. Make-A-Wish Foundation Australia Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the 12 month period ended 31 August 2017 were approved and authorised for issue by the Board of Directors on 8th December 2017.

(a) Basis of measurement

The financial report has been prepared on a going concern and accruals basis based on historical costs and, except where stated, do not take into account current valuations of non-current assets. Cost is based upon the fair values of the consideration given in exchange for assets.

(b) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

(c) Use of estimates and judgements

The preparation of financial statements in accordance with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

3. (j) Employee benefits

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2017

2. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 September 2017.

| | | | |
|---|---|-----------------------|---|
| <p>AASB 9 Financial Instruments (December 2014)</p> | <p>AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:</p> <p>a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.</p> <p>b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.</p> <p>d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> • the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) • the remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</p> | <p>1 January 2018</p> | <p><i>The entity is yet to undertake a detailed assessment of the impact of AASB 9. Upon adoption, where investments are held in managed funds and those funds have a limited life, any unrealised fair value gains or losses will be accounted for through profit and loss and cannot be taken to other comprehensive income as is the present policy. The new standard will be first applied in the year ending 31 August 2019.</i></p> |
|---|---|-----------------------|---|

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2017

| | | | |
|--|---|----------------|--|
| | <ul style="list-style-type: none"> • classification and measurement of financial liabilities; and • derecognition requirements for financial assets and liabilities. <p>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.</p> <p>Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.</p> | | |
| AASB 15 Revenue from Contract | <p>AASB 15:</p> <ul style="list-style-type: none"> • replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: <ul style="list-style-type: none"> - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) - expands and improves disclosures about revenue | 1 January 2019 | <p>The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 August 2020.</p> |

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2017

| | | | |
|--|---|-----------------------|--|
| <p>AASB 16 Leases</p> | <p>AASB 16:</p> <ul style="list-style-type: none"> • replaces AASB 117 Leases and some lease-related Interpretations • requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases • provides new guidance on the application of the definition of lease and on sale and lease back accounting • largely retains the existing lessor accounting requirements in AASB 117 • requires new and different disclosures about leases | <p>1 January 2019</p> | <p>The new standard will require recognising an asset (right to use asset) and liability (present value of future lease payments) in respect of its leased properties, upon adoption for the year ending 31 August 2020.</p> |
| <p>AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</p> | <p>This Standard amends AASB 136 Impairment of Assets to:</p> <p>a Remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and</p> <p>b Clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that:</p> <p>i AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets; and</p> <p>ii AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138.</p> | <p>1 January 2017</p> | <p>When these amendments are first adopted for the year ending 31 August 2018, there will be no material impact on the financial statements.</p> |

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2017

| | | | |
|--|---|-----------------------|---|
| <p><i>AASB 1058 Income of Not-for- Profit Entities</i></p> | <p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:</p> <ul style="list-style-type: none">a Contributions by owners;b Revenue, or a contract liability arising from a contract with a customer;c A lease liability;d A financial instrument; ore A provision. <p>These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.</p> | <p>1 January 2019</p> | <p><i>The entity is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 August 2020.</i></p> |
|--|---|-----------------------|---|

3. Summary of accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements unless otherwise stated.

(a) Revenue

- i. **Consumer fundraising**
Revenue received from voluntary donations from the general public is recognised when received.
- ii. **Corporate fundraising**
Revenue received from fundraising activities in corporate organisations is recognised when received.
- iii. **Bequest distributions**
Revenue bequeathed through a Will is recognised as revenue when received.

Revenue from legacies comprising bequests of shares or other property is recognised at fair value, being the market value of shares or property at the date the company becomes legally entitled to the shares or property.

- iv. **Event fundraising**
Revenue received from specific fundraising events or cause related marketing activities is recognised in the period the event takes place.

The direct benefit cost to donors represents the cost of items that the participant at the event would reasonably believe would be provided for the price of the ticket. For example, entertainment catering, decorations etc.

- v. **Goods in kind**
Donations of goods and services are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably. Goods in kind revenue is measured at the fair value of the gift received or receivable.

- vi. **Merchandise sales**
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executive sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(b) Finance income

Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(c) Property, plant and equipment

i. Recognition & measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives for the current comparative periods are as follows:

| | |
|---------------------|--------------|
| Buildings | 40 years |
| Fixtures & Fittings | 2 – 10 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(d) Intangible assets

i. Recognition & measurement

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

ii. Subsequent costs and amortisation

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line-basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date.

The estimated useful lives for the current comparative periods are as follows:

- Software 2 – 8 years

Amortisation is recognised in the profit and loss. Any subsequent expenditure on maintenance are expensed as incurred. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(e) Lease payments

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit and loss on a straight line basis over the term of the lease.

(f) Investments and other financial assets

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the company establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired, or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

(g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash generating unit.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less and bank overdraft.

(j) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within twelve months of the reporting date are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave not expected to be settled wholly within twelve months after the end of the period are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Loans and other financial liabilities

Loans

Loans are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans are classified as non-current.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Income tax

The Company is exempt from income tax and therefore no provision for tax is made in these financial statements.

(n) Goods and services tax

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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(o) Comparative figures

Where necessary, the comparative information has been reclassified to achieve consistency with the current financial year disclosures. With the change to the financial period in the last financial year, where appropriate, an extra comparative column has been added to show a 12 month view to 31 August 2016, as well as the 8 months to the same date.

(p) Changes in categorisation of revenue and expenses

The categorisation of revenue and expenses in 2017 and 2016 reflects the Make-A-Wish International conventions for reporting.

4. Revenue

| | 2017 12 months \$ | 2016 12 months \$ | 2016 8 months \$ |
|--|-------------------------|-------------------------|------------------------|
| <u>Public support</u> | | | |
| Consumer fundraising | 8,851,781 | 8,650,307 | 5,350,344 |
| Corporate fundraising | 2,849,323 | 3,065,280 | 1,868,949 |
| Bequest distributions | 349,129 | 1,115,288 | 979,495 |
| Goods and services in kind | 1,345,389 | 750,855 | 472,190 |
| Merchandise sales | 180,079 | 238,040 | 129,843 |
| | <u>13,575,701</u> | <u>13,819,770</u> | <u>8,800,821</u> |
| <u>Special events</u> | | | |
| Event fundraising | 2,483,052 | 2,959,956 | 1,766,554 |
| Less cost of direct benefit to donors* | (618,695) | (705,639) | (503,817) |
| | <u>15,440,058</u> | <u>16,074,087</u> | <u>10,063,558</u> |

* The 'direct benefit to donors' represents the cost of items that the participant at the event would reasonably believe would be provided for the price of the ticket. For example, entertainment catering, decorations etc.

5. Other income

| | 2017 12 months \$ | 2016 12 months \$ | 2016 8 months \$ |
|--------------------------------|-------------------------|-------------------------|------------------------|
| International Wish Service Fee | 81,994 | 57,759 | 40,825 |
| Interest income | 122,365 | 165,883 | 124,541 |
| | <u>204,359</u> | <u>223,642</u> | <u>165,366</u> |

6. Finance income and finance costs recognised in profit or loss

| | 2017 12 months \$ | 2016 12 months \$ | 2016 8 months \$ |
|--|-------------------------|-------------------------|------------------------|
| <i>Finance income</i> | | | |
| Interest income on investments | 119,214 | 156,214 | 119,101 |
| Interest income on bank deposits | 3,151 | 9,669 | 5,440 |
| Dividend income | - | - | - |
| | <u>122,365</u> | <u>165,883</u> | <u>124,541</u> |
| <i>Finance expense</i> | | | |
| Finance costs | - | - | - |
| Net finance costs recognised in profit or loss | <u>122,365</u> | <u>165,883</u> | <u>124,541</u> |

7. Property, plant and equipment

| | Fixtures and fittings \$ | IT hardware \$ | Intangible Assets \$ | Total \$ |
|-----------------------------------|--------------------------------|-------------------|----------------------------|-------------|
| Balance at 1 September 2016 | 130,432 | 65,938 | 814,070 | 1,010,440 |
| Additions | - | 25,136 | 60,977 | 86,113 |
| Disposals | (300) | - | (55,077) | (55,377) |
| Depreciation for the period | (45,629) | (23,814) | (157,002) | (226,445) |
| Transferred | - | - | - | - |
| Balance at 31 August 2017 | 84,503 | 67,260 | 662,968 | 814,731 |
| Carrying amount at 31 August 2017 | 84,503 | 67,260 | 662,968 | 814,731 |

8. Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

| | 2017 \$ | 2016 \$ |
|----------------------------|----------------|----------------|
| Less than one year | 348,070 | 363,400 |
| Between one and five years | 164,665 | 414,527 |
| More than five years | - | - |
| | <u>512,735</u> | <u>777,928</u> |

During the period ended August 31st 2017 \$372,490 was recognised as an expense in profit or loss in respect of operating leases (2016: \$260,572) for the lease of property. The leases related to rented offices in Victoria, Queensland, NSW and Western Australia and photocopier leases.

9. Other financial assets

Current investments

| | 2017 \$ | 2016 \$ |
|---|------------------|------------------|
| Held-to-maturity investments - accrued interest | 334 | 570 |
| Held-to-maturity investments | - | 515,441 |
| Held-to-maturity security deposits | 3,690 | 11,379 |
| Available-for-sale financial assets | 2,732,588 | 2,563,746 |
| | <u>2,736,612</u> | <u>3,091,136</u> |

There are no held-to-maturity investments as at 31/8/17 (2016: 2.93%).

10. Trade and other receivables

| | 2017 | 2016 |
|-------------------------------|----------------|----------------|
| | \$ | \$ |
| Trade Receivables | 577,980 | 196,230 |
| Allowance for Doubtful Debts | - | - |
| | <u>577,980</u> | <u>196,230</u> |
| Other Receivables | 141,034 | 197,009 |
| GST Receivables | 45,995 | 84,674 |
| Make-A-Wish Affiliate Debtors | 42,866 | 66,298 |
| Accrued Revenue | 66,841 | - |
| | <u>874,716</u> | <u>544,211</u> |

11. Cash and cash equivalents

| | 2017 | 2016 |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Opening Balance for the year | 1,271,661 | 1,485,479 |
| Surplus / (Deficit) for the year | (119,834) | (213,818) |
| Closing Balance for the year | <u>1,151,827</u> | <u>1,271,661</u> |

Included in cash is a security deposit of \$250,000 (2016: \$238,884) held to secure the property lease at 620 Church St, Richmond.

12. Accumulated funds

| | 2017 | 2016 |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Opening Balance for the year | 5,123,982 | 6,565,257 |
| Surplus / (Deficit) for the year | (487,302) | (1,441,275) |
| Closing Balance for the year | <u>4,636,680</u> | <u>5,123,982</u> |

13. Expenses recognised in profit or loss

| | Note | 2017 | 2016 | 2016 |
|-----------------------------|-------------|------------------|------------------|-----------------|
| | | 12 months | 12 months | 8 months |
| | | \$ | \$ | \$ |
| Depreciation | 7 | 226,445 | 111,754 | 96,342 |
| Loss on sale of investments | | - | - | - |
| Operating leases | | 372,490 | 381,371 | 260,572 |
| Write off of merchandise | | - | - | - |
| Goods and services in kind | | | | |
| • Wish Services | | 1,213,841 | 957,495 | 755,208 |
| • Management and General | | 66,500 | 24,564 | 11,811 |

14. Personnel expenses recognised in net profit and loss

| | 2017 | 2016 | 2016 |
|--|------------------|------------------|------------------|
| | 12 months | 12 months | 8 months |
| | \$ | \$ | \$ |
| Wages and salaries | 5,419,331 | 5,212,345 | 3,587,186 |
| Other associated personnel expenses | 106,376 | 64,979 | 39,380 |
| Contributions to defined superannuation contribution plans | 500,789 | 523,929 | 349,817 |
| Increase/(decrease) in liability for employee provisions | (17,760) | 65,548 | 65,548 |
| | 6,008,736 | 5,866,801 | 4,041,931 |

15. Employee benefits

| | 2017 | 2016 |
|---|----------------|----------------|
| | \$ | \$ |
| Liability for annual leave and flexible leave | 258,636 | 295,868 |
| Liability for long service leave | 147,223 | 127,751 |
| Total employee benefit liabilities | 405,859 | 423,619 |
| Current | 309,313 | 348,905 |
| Non-current | 96,546 | 74,714 |
| Total employee benefit liabilities | 405,859 | 423,619 |

16. Trade and other payables

| | 2017 | 2016 |
|-------------------------------------|------------------|----------------|
| | \$ | \$ |
| Trade payables | 309,084 | 409,911 |
| GST Payable | 24,867 | 7,666 |
| Other payables and accrued expenses | 836,544 | 544,796 |
| | 1,170,495 | 962,373 |

17. Other financial liabilities

The company procured a short term facility loan to assist with cash flow. To enable the facility to remain open a drawdown of \$500 was necessary. For the credit facilities held with the Commonwealth Bank of Australia, the Commonwealth bank has a First Registered Company Charge by Make-A-Wish Australia over whole of its assets and undertakings, including uncalled capital.

| | 2017 | 2016 |
|--------------------|-------------|-------------|
| | \$ | \$ |
| Variable rate loan | 500 | 500 |

18. Wish related commitments

| | 2017 \$ | 2016 \$ |
|---|------------------|------------------|
| Wish related commitments | | |
| Approved but not yet provided for and payable | 1,616,181 | 2,313,130 |
| | <u>1,616,181</u> | <u>2,313,130</u> |

As at August 31st 2017, 251 (2016: 375) wishes had been approved by the Board of Directors, but not yet granted.

No liability has been recorded for this cost to be incurred in the 2018 financial period.

19. Related party transactions

Key management personnel compensation

Total key management personnel compensation:

| | 2017 \$ | 2016 \$ |
|--|------------|------------|
| | 1,159,673 | 833,884 |

Transactions with key management personnel

The compensation disclosed above represents an allocation of the key management personnel's compensation from the Company in relation to their services rendered to the Company. Key Management Personnel includes members of the Executive Management team who have the authority and responsibility for planning, directing and controlling the activities of the Company. The Executive Management team was inclusive of the following personnel during the financial period.

Gerard Menses
Rachael Stewart

Jo Salisbury
Shirstine Green

Sarah Downie
Alexandra Struthers*

*Resigned 19th December
2016

Individual directors' and executives' compensation disclosures

There have been no forms of compensation provided or material contracts entered into by the directors of the Company in relation to their services rendered to the Company during the financial period ended August 31st 2017. This is consistent with the 2016 financial year. The directors who held office during the financial year are:

Stephen Sharp
David Briskin*
Russell Smith
Hitesh Patel**

Cath Mulcare
Gerard Menses***
Vickie Lester
David Sharpe**

Russell Evans
Melinda Geertz
Peter Downie*

- * Resigned 28th July 2017
- ** Appointed 26th May 2017
- *** Resigned 9th October 2017

Loans to key management personnel and their related parties

There have been no loans entered into with key management personnel and their related parties during the 2017 financial period. This is consistent with the 2016 financial year.

Key management personnel and director transactions

A number of directors, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. There were no transactions entered into of this nature with the Company in the reporting period.

20. Contingent liabilities

The Company has no contingent liabilities as at August 31st 2017 (31 August 2016: nil).

21. Limitation of liability

The liability of the members of the Company is limited. In the event of a winding up, the maximum liability of each of the members would be \$20. At August 31st 2017 there were 61 members (31 August 2016: 65).

22. Post-reporting date events

There are no matters or circumstances that have arisen since the end of the period that have significantly affected or may significantly affect either;

- The entity's operations in future financial years;
- The results of those operations in future financial years; or
- The entity's state of affairs in future financial years.

Make-A-Wish Foundation of Australia Ltd

Directors' Declaration

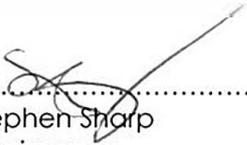
For the period ended August 31st 2017

Directors' Declaration

In the opinion of the directors of the Make-A-Wish Foundation of Australia Ltd ('the Company'):

- (a) The financial statements and notes, set out on pages 7 to 27, are in accordance with 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 August 2017 and of their performance, for the financial period ended on that date; and
 - (ii) Complying with Australian Accounting Standards Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Regulation 2013;
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:


.....
Stephen Sharp
Chairperson


.....
Cath Mulcare
Treasurer

Dated at: Richmond, Victoria this 8th day of December 2017.

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Independent Auditor's Report to the Members of Make-A-Wish Foundation Of Australia Ltd

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying financial report of Make-A-Wish Foundation of Australia Ltd (the "Registered Entity"), which comprises the statement of financial position as at 31 August 2017, and the statement of Profit and Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the financial report of Make-A-Wish Foundation of Australia Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a giving a true and fair view of the Registered Entity's financial position as at 31 August 2017 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

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Responsibilities of the Directors for the Financial Report

The Directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Registered Entity'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 Registered Entity or to cease operations, or have no realistic alternative but to do so.

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

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 the 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 this financial report.

As part of an audit in accordance with the 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 audit 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



E W Passaris
Partner - Audit & Assurance

Melbourne, 8 December 2017