



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

Financial Report
31 August 2019

Make-A-Wish Foundation of Australia Ltd

For the period ended August 31st 2019

CONTENTS

	Page
Directors' Report	2
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	
1. General information and statement of compliance	11
2. Changes in accounting policies	12
3. Summary of accounting policies	15
4. Revenue	24
5. Other income	24
6. Finance income and finance costs recognised in profit or loss	24
7. Property, plant and equipment, and Intangible Assets	25
8. Leases	25
9. Other financial assets	25
10. Trade and other receivables	26
11. Cash and cash equivalents	26
12. Accumulated funds	26
13. Expenses recognised in profit or loss	26
14. Personnel expenses recognised in net profit and loss	27
15. Employee benefits	27
16. Trade and other payables	27
17. Other financial liabilities	27
18. Wish related commitments	28
19. Related party transactions	28
20. Contingent liabilities	29
21. Limitation of liability	29
22. Post-reporting date events	29
Directors' Declaration	30
Independent Auditor's Report	31

Make-A-Wish Foundation of Australia Ltd

Director's Report

For the period ended August 31st 2019

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 2019 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, GAICD

Director, Global Sales, Dubber Corporation Ltd; Director, University of New England

Hitesh Patel (Treasurer, Chair of the Finance Committee, Company Secretary)

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

Health Care Compliance Officer, Johnson and Johnson Medical Pty Ltd

Sally Bateman (CEO, Member of the Finance Committee)

BA (Public Relations), GAICD

Director, Stroke Foundation

Melinda Geertz

BA

CEO, Leo Burnett Australia; Director Wesley College

Vickie Lester *

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

Head of Wellbeing, Trinity College

Margaret Little

MBBS, FRACP, PhD

Senior Staff Specialist, Paediatric Oncology, Queensland Children's Hospital

Russell Smith (Member of the Finance Committee)

John Armstrong **

BBus (Accounting), MAICD

Director, Blackmores Ltd; Director, Lovisa

Amanda French ***

BA, MAICD

General Manager, Dress for Success Hobart

Members of the Finance Committee

David Briskin

BEC, LL.B

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

* Resigned 12th April 2019

** Appointed 7th December 2018

*** Appointed 12th April 2019

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	6	6	5
Russell Evans	6	6	6	3
Hitesh Patel	6	4	6	4
Sally Bateman	6	6	6	6
David Briskin	-	-	6	4
Melinda Geertz	6	4	-	-
Vickie Lester*	4	3	-	-
Margaret Little	6	6	-	-
John Armstrong**	4	4	4	4
Amanda French***	2	2	-	-
Russell Smith	6	5	6	4

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 2019 financial year and beyond are built around the following key areas for success:

- Exceptional Wish Journeys for everyone involved in our program.
- Financial Sustainability. A commitment to managing our operations for the future benefit of our cause.
- People and Development. An admired culture where fun, diversity, accountability and continuous learning thrive.
- Volunteers with Impact. Volunteering Programmes that deliver value and shared impact.
- Smart Technology to drive ongoing digital technology efficiencies, speed and value.

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 surplus of \$104,664 for the period ended August 31st 2019 (2018: surplus \$333,595).

The organisation is expecting to remain in 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 31st August 2019 the number of members was 59 (31 August 2018: 61).

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.

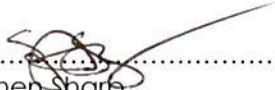
14. Proceedings on Behalf of the Company

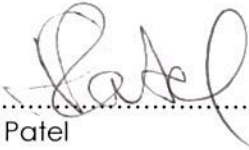
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings 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 2019.

This report is made with a resolution of the Directors.


.....
Stephen Sharp
Chairman


.....
Hitesh Patel
Treasurer

Dated at: Richmond, Victoria **this** 25th **Day of** NOVEMBER

Auditor's Independence Declaration

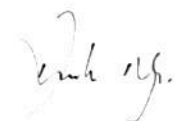
To the Directors of Make-A-Wish Foundation of Australia Ltd

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 Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng

Partner – Audit & Assurance

Melbourne, 29 November 2019

Make-A-Wish Foundation of Australia Ltd
Auditor's Independence Declaration
For the year period August 31st 2019

	Note	2019 \$	2018 \$
Operations			
<i>Revenue</i>			
Public support	4	11,619,891	11,656,850
Special events	4	3,179,077	2,661,158
Less cost of direct benefit to donors	4	(458,498)	(534,111)
Other income	5	250,251	146,696
Total income		14,590,721	13,930,593
<i>Expenses</i>			
Wish services		(7,885,289)	(7,554,009)
Support services:			
Fundraising, Marketing and Communications		(5,447,073)	(4,996,443)
Management and general		(1,153,695)	(1,046,546)
Total expenses	13,14	(14,486,057)	(13,596,998)
Surplus before income tax		104,664	333,595
Income tax expense	3(o)	-	-
Surplus after income tax		104,664	333,595
Other comprehensive income			
Items that may be re-classified subsequently to profit or loss			
Net change in fair value of financial assets		-	34,030
Other comprehensive income for the period		-	34,030
Total comprehensive income for the period		104,664	367,625

The accompanying notes on pages 11 to 29 form part of these financial statements.

Make-A-Wish Foundation of Australia Ltd
Statement of Financial Position
As at August 31st 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	11	1,477,171	1,605,477
Trade and other receivables	10	907,679	876,557
Other financial assets	9	2,973,958	2,769,190
Inventories		4,559	3,574
Prepayments		464,441	447,397
Total current assets		5,827,808	5,702,195
Non-current Assets			
Property, plant and equipment	7	53,281	94,943
Intangible Assets	7	586,116	485,969
Total non-current assets		639,397	580,912
Total assets		6,467,205	6,283,107
Current Liabilities			
Trade and other payables	16	1,044,641	1,042,828
Employee benefits	15	292,824	226,394
Other financial liabilities	17	500	500
Total current liabilities		1,337,965	1,269,722
Non-current Liabilities			
Employee benefits	15	53,930	42,739
Total non-current liabilities		53,930	42,739
Total liabilities		1,391,895	1,312,461
Net assets		5,075,310	4,970,646
Equity			
Reserves			
Financial asset reserve		-	371
		-	371
Accumulated Funds			
Accumulated funds	12	4,970,275	4,636,680
Adjustment to opening retained earnings		371	-
Current year surplus / (deficit)		104,664	333,595
		5,075,310	4,970,275
Total equity		5,075,310	4,970,646

The accompanying notes on pages 11 to 29 form part of these financial statements

Make-A-Wish Foundation of Australia Ltd

Statement of Changes in Equity

For the period ended August 31st 2019

	<i>Note</i>	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 September 2017		(33,659)	4,636,680	4,603,021
Surplus / (Deficit) after tax	12	-	333,595	333,595
Other comprehensive income		34,030	-	34,030
Total comprehensive income for the period		34,030	333,595	367,625
As at 31 August 2018		371	4,970,275	4,970,646
	<i>Note</i>	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 September 2018		371	4,970,275	4,970,646
Change in accounting policy		(371)	371	-
Surplus / (Deficit) after tax	12	-	104,664	104,664
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	104,664	104,664
As at 31 August 2019		-	5,075,310	5,075,310

The accompanying notes on pages 11 to 29 form part of these financial statements.

Make-A-Wish Foundation of Australia Ltd

Statement of Cash Flows

For the period ended August 31st 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Cash receipts from donations and fundraising activities	13,903,494	13,459,900
Cash paid to suppliers and employees	(13,655,419)	(13,110,713)
Cash from operations	248,075	349,187
Interest received	106,604	107,580
Interest paid		
Net cash from operating activities	354,679	456,767
Cash flows from investing activities		
Payment for property, plant and equipment, and intangibles	(365,207)	(4,882)
Payments for investments	(117,779)	-
Proceeds from sale of financial investments	-	1,765
Net cash from investing activities	(482,986)	(3,117)
Net increase / (decrease) in cash and cash equivalents	(128,307)	453,650
Cash and cash equivalents at 1 September 2018	1,605,477	1,151,827
Cash and cash equivalents at 31 August 2019	1,477,171	1,605,477

The accompanying notes on pages 11 to 29 form part of these financial statements.

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2019

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 2019 were approved and authorised for issue by the Board of Directors on 29th November 2019.

(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. (m) Employee benefits

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2019

2. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 September 2019.

<p>AASB 15 Revenue from Contract</p>	<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 	<p>1 January 2019</p>	<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>
<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</p>

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2019

			adoption for the year ending 31 August 2020.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<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).</p> <p>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; or e A provision. <p>These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.</p>	1 January 2019	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.

New standards adopted as at 1 September 2018

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Entity has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification,

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2019

measurement, and impairment are recognised in opening retained earnings as at 1 September 2018.

The adoption of AASB 9 has impacted the following areas:

Classification and measurement of the Group's financial assets

- (a) Unlisted financial assets - Available for sale financial assets under AASB 139 included unlisted equity investments of \$2,969,675 at 31 August 2018. These were reclassified to fair value through profit or loss (FVPL) under AASB 9.
- (b) \$371 was transferred from the revaluation reserve to retained earnings on 1 September 2018.

Reconciliation of financial instruments on adoption of AASB 9

Reconciliation of financial position balances from AASB 139 to AASB 9 at 1 September 2018

	AASB139 carrying amount	Re- classification	AASB 9 carrying amount
	31 August 2018		1 September 2018
Available for sale financial assets	2,761,418	(2,761,481)	-
Financial Assets at FVTPL	-	2,761,481	2,761,481
Total	2,761,418	-	2,761,481

Reconciliation of equity for the impact of AASB 9 at 1 September 2018

	AFS financial asset reserve	Retained earnings
Closing balance 31 August 2018	371	4,970,275
Reclassify unlisted financial assets from AFS to FVTPL	(371)	371
Opening balance 1 September 2018 – AASB 9	-	4,970,646

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.

(c) Revenue

i. Consumer fundraising

Revenue received from voluntary donations from the general public is recognised when received.

ii. Corporate fundraising

Corporate contract revenue is recognised when Make-A-Wish is entitled to the revenue under the agreement.

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.

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2019

(d) 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.

(e) 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
IT Hardware	3 – 5 years

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

(f) 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.

(g) 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.

(h) Investments and other financial assets (Applicable to period ending 31 August 2018 or earlier)

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.

(i) Financial instruments (Applicable 1 September 2018)

Recognition, initial measurement and derecognition 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)

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. 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.

Subsequent measurement financial assets

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 instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

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.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included trade receivables that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

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).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(j) 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 current replacement cost of the asset.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) Income tax

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

(q) 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.

Make-A-Wish Foundation of Australia Ltd

Notes to the Financial Statements

For the period ended August 31st 2019

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.

(r) Changes in categorisation of revenue and expenses

The categorisation of revenue and expenses in 2019 and 2018 reflects the Make-A-Wish International conventions for reporting.

Make-A-Wish Foundation of Australia Ltd
Notes to the Financial Statements
For the period ended August 31st 2019

4. Revenue

	2019	2018
	\$	\$
<u>Public Support</u>		
Consumer fundraising	7,468,564	7,484,335
Corporate fundraising	2,041,624	2,694,597
Bequest distributions	1,006,727	294,896
Goods and services in kind	910,465	894,954
Merchandise sales	192,511	288,068
	<u>11,619,891</u>	<u>11,656,850</u>
<u>Special events</u>		
Event fundraising	3,179,077	2,661,158
Less cost of direct benefit to donors*	(458,499)	(534,111)
	<u>14,340,470</u>	<u>13,783,897</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

	2019	2018
	\$	\$
International Wish Service Fee	57,028	38,930
Fair Value Gain from Other Financial Assets	87,044	-
Interest income	106,180	107,766
	<u>250,252</u>	<u>146,696</u>

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

	2019	2018
	\$	\$
<i>Finance income</i>		
Interest income on investments	94,260	96,641
Interest income on bank deposits	11,920	11,125
Dividend income	-	-
	<u>106,180</u>	<u>107,766</u>
<i>Finance expense</i>		
Finance costs	-	-
Net finance costs recognised in profit or loss	<u>106,180</u>	<u>107,766</u>

7. Property, plant and equipment, and Intangible Assets

	Fixtures and fittings \$	IT hardware \$	Intangible Assets \$	Total \$
Balance at 1 September 2018	49,251	45,605	485,969	580,825
Additions	-	7,447	357,760	365,207
Disposals	-	-	(49,229)	(49,229)
Depreciation for the period	(28,507)	(20,514)	(208,384)	(257,405)
Balance at 31 August 2019	20,744	32,538	586,116	639,397
Carrying amount at 31 August 2019	20,744	32,538	586,116	639,397

8. Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2019 \$	2018 \$
Less than one year	584,008	505,232
Between one and five years	166,773	678,654
More than five years	-	-
	<u>750,781</u>	<u>1,183,886</u>

During the period ended August 31st 2019 \$592,004 was recognised as an expense in profit or loss in respect of operating leases (2018: \$383,670) for the lease of property. The leases related to rented offices in Victoria, and NSW and photocopier leases.

9. Other financial assets

	2019 \$	2018 \$
Current investments		
Investments – Amortised cost	93	519
Security deposits – Amortised cost	4,190	4,190
Financial Assets at FVTPL	2,969,675	-
Available for sale financial assets	-	2,764,481
	<u>2,973,958</u>	<u>2,769,190</u>

10. Trade and other receivables

	2019 \$	2018 \$
Trade Receivables	538,493	654,218
Allowance for Doubtful Debts	-	-
	538,493	654,218
Other Receivables	136,878	128,368
GST Receivables	70,219	72,253
Make-A-Wish Affiliate Debtors	24,320	21,718
Accrued Revenue	137,769	-
	907,679	876,557

11. Cash and cash equivalents

	2019 \$	2018 \$
Opening Balance for the year	1,605,477	1,151,827
Surplus / (Deficit) for the year	(128,306)	453,650
Closing Balance for the year	1,477,171	1,605,477

Included in cash is a security deposit of \$250,000 (2018: \$250,000) held to secure the property lease at 620 Church St, Richmond.

12. Accumulated funds

	2019 \$	2018 \$
Opening Balance for the year	4,970,275	4,636,680
Adjustment to opening retained earnings	371	-
Surplus for the year	104,664	333,595
Closing Balance for the year	5,075,310	4,970,275

13. Expenses recognised in profit or loss

	Note	2019 \$	2018 \$
Depreciation	7	257,405	239,419
Operating leases		592,004	383,670
Goods and services in kind			
• Wish Services		835,647	784,454
• Management and General		85,500	111,696

14. Personnel expenses recognised in net profit and loss

	2019	2018
	\$	\$
Wages and salaries	4,274,547	4,659,302
Other associated personnel expenses	70,271	94,649
Contributions to defined superannuation contribution plans	406,536	401,537
Increase/(decrease) in liability for employee provisions	77,621	(136,727)
	<u>4,828,975</u>	<u>5,018,761</u>

15. Employee benefits

	2019	2018
	\$	\$
Liability for annual leave and flexible leave	205,081	159,384
Liability for long service leave	141,673	109,749
Total employee benefit liabilities	<u>346,754</u>	<u>269,133</u>
Current	292,824	226,394
Non-current	53,930	42,739
Total employee benefit liabilities	<u>346,754</u>	<u>269,133</u>

16. Trade and other payables

	2019	2018
	\$	\$
Trade payables	258,294	231,591
GST Payable	33,229	10,042
Other payables and accrued expenses	753,118	801,195
	<u>1,044,641</u>	<u>1,042,828</u>

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.

	2019	2018
	\$	\$
Variable rate loan	500	500

18. Wish related commitments

	2019 \$	2018 \$
Wish related commitments		
Approved but not yet provided for and payable	1,200,967	1,556,135
	1,200,967	1,556,135

As at August 31st 2019, 205 (2018: 266) 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 2019 financial period.

19. Related party transactions

Key management personnel compensation

Total key management personnel compensation:

	2019 \$	2018 \$
	827,192	1,115,419

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.

Ian Azzopardi	Appointed 2 nd July 2018
Sally Bateman	Appointed 22 nd January 2018
Mark Wiegerink	Resigned 1 st August 2019
Travis Ryan	Appointed 24 th August 2018
Amanda Lauchlan	Appointed 1 st May 2019

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 2019. This is consistent with the 2018 financial year. The directors who held office during the financial year are:

Stephen Sharp
Sally Bateman
Margaret Little
Amanda French***

Russell Evans
Melinda Gertz
Russell Smith

Hitesh Patel
Vickie Lester*
John Armstrong**

* Resigned 12th April 2019

** Appointed 7th December 2018

*** Appointed 12th April 2019

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 2019 financial period. This is consistent with the 2018 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 2019 (31 August 2018: 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 31st August 2019 there were 59 members (31 August 2018: 61).

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

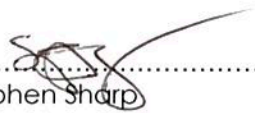
For the period ended August 31st 2019

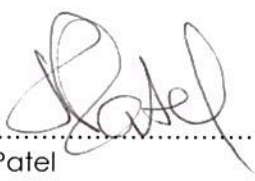
Directors' Declaration

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 29, 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 2019 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


.....
Hitesh Patel
Treasurer

Dated at: Richmond, Victoria this 29th day of November 2019.

Independent Auditor's Report

To the Members of Make-A-Wish Foundation of Australia Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Make-A-Wish Foundation of Australia Ltd (the "Registered Entity"), which comprises the statement of financial position as at 31 August 2019, and the statement of profit or loss and 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 2019 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 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 Registered Entity in accordance with 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 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 – Reduced Disclosure Requirements 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.

The Directors 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.

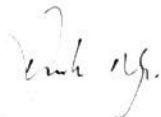
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 29 November 2019