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**ANNUAL  
REPORT  
2020**

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## CHAIR & CEO INTRODUCTION

In late 2019, ShareGift Australia's Board of Directors delivered on its strategy to build organisational sustainability and capacity, through a merger with Good2Give.

This transaction was the result of a three year growth strategy that included the identification of potential merger partners, an invitation-only, expression of interest and in-depth, due diligence. On entering a memorandum of understanding, the ShareGift and Good2Give boards undertook extensive strategic, governance and operational planning and preparation, prior to the merger's execution on 10 December 2019.

The Good2Give group now offers solutions across corporate giving and social responsibility, including foundation management and programs, giving circles and workplace giving as well as the share retail and related corporate services of ShareGift.

With these combined complementary capabilities and services, this group is poised to effectively scale charitable funding from Australia's \$2 trillion share market and to offer the corporate market a one-stop shop across community engagement and funding requirements.

Good2Give will continue to balance the need to grow operational capacity and the need for annual funding among charities. We remain committed to operating as efficiently as possible, while recognising the requirement for upfront, consolidation investment to deliver long term economies of scale.

ShareGift continues to maintain its high governance, regulatory and customer service standards.

Results from our 2020 shareholder survey provided valuable customer feedback. Consistent from previous years, relief from administrative burden (49%) and ShareGift's use of funds to support charities (43%) remained the two clear motivations for shareholders. Pleasingly, almost half of respondents were repeat donors, and over 83% would use ShareGift services again. Furthermore, 27% of investors had already recommended ShareGift to others. Further results from the survey are available on page 5.

## Community impact

ShareGift's cumulative funding at 30 April 2020 now totals more than \$3 million to over 450 charities.

ShareGift reached a major milestone earlier in 2020, making its first \$1+ million gift to a charity. Following the devastating 2019/20 bushfires, the new board was pleased to fund the Australian Wildlife Conservancy with \$1,338,000. This special funding was in addition to the regular round determined in December 2019 of \$109,050 to a number of other charities.

A complete list of recipient charities funded in FY20 is available on page 6 of this report (as at 30 April 2020).

## Financial position

In response to the onset of COVID-19 and the ensuing market volatility, ShareGift furloughed its business development activities and pivoted to scaled back core services to preserve its strong financial performance from the first two quarters. However, we have been encouraged by ShareGift's continued profile within the securities market, which saw individual investors cleaning up their portfolios while in lockdown as well as expressions of new corporate interest, resulting in a stronger than expected year.

As a result of merging with Good2Give, ShareGift moved to a new operating year end of 30 April (instead of 30 June).

A positive cash position of \$115,625 was recorded at 30 April 2020, noting the aforementioned, dual rounds of charitable funding made in December 2019 and February 2020 prior to the pandemic. At 30 April 2020, our net assets stood at \$218,006 (up from \$114,675 in 2019).

Partnerships are critical to ShareGift's ability to offer no cost services to the community. The Board warmly thanks our corporate supporters, Ashurst, JBWere, E.L. & C Baillieu, Evans & Partners, King and Wood Mallesons and the industry support of the Australian Shareholders' Association and The ASX Group.

## Succession

On the merger of ShareGift with Good2Give, we farewelled former Chair, Fiona Avery and directors, Cilla Boreham and Lisa Mullins, and welcomed new Chair, Michael Graf and fellow directors, Sue Murray, Cynthia Nadai, Lisa Grinham and Andrew Stats as part of ShareGift's new corporate structure.

We thank Fiona, Cilla and Lisa for their vision and commitment to ShareGift reaching this next phase in its development.

## Outlook

While the year commenced with an expectation to continue our growth strategy with ASX listed companies and other key industry participants, the onset of COVID-19 proved otherwise.

Nonetheless, we have seen green shoots appearing with existing and new corporate supporters, most notably via ShareGift's inclusion in NAB's Share Purchase Plan that will produce good returns for the next financial year. We hope others will follow this lead so that company engagement with ShareGift becomes conventional practice.

We thank all participating companies and shareholders for your engagement.

The critical role played by Australian charities has been amplified this year in ways we had never imagined. Your support ensures their survival.



Michael Graf

*Chair*



Anna Draffin

*Executive Director*

# 2.

## ABOUT SHAREGIFT AUSTRALIA

### Our vision

That giving by Australian shareholders becomes a major revenue stream for the charitable sector.

### Our purpose

To make it easy and cost effective for shareholders and ASX listed companies to donate shares and related proceeds, and thereby grow philanthropic giving in Australia.

We are an independent charity designed to unlock under-utilised share capital and to grow alternate revenue for Australian charities.

Collaboration with ShareGift has the potential to become an industry standard for Australia's leading companies. As more and more companies look for ways to drive shared value with their investors, ShareGift offers simple solutions to realise and consolidate proceeds from different share activity – such as the sale of share parcels, residuals from dividend reinvestment plan exits and corporate action share issues. Proceeds are aggregated and used to fund charities.

As at 30 April 2020, ShareGift has distributed over \$3 million to over 450 charities.

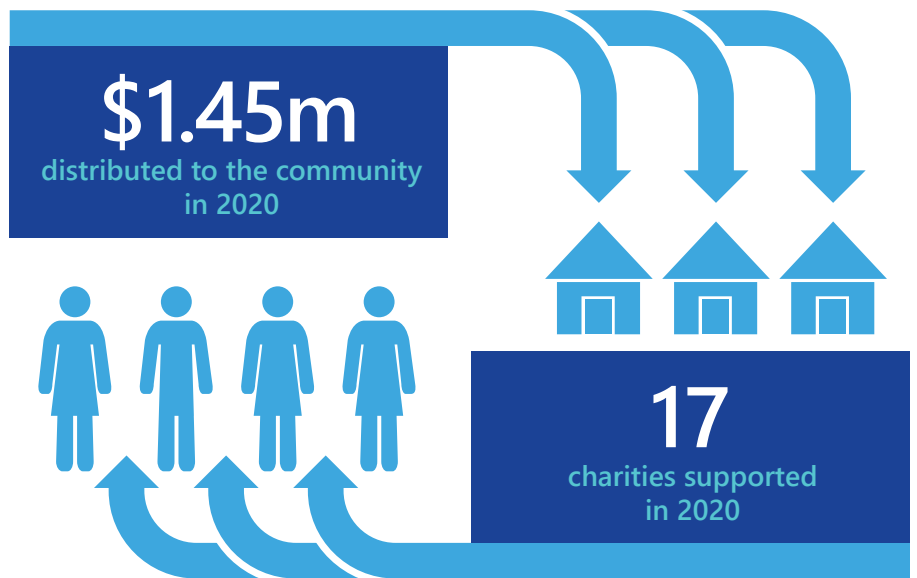
ShareGift is the only service of its kind in Australia and is endorsed by The ASX Group and the Australian Shareholders Association.

# 3.

## OUR IMPACT IN 2020

ShareGift is a unique non-profit established to generate new sources of funding for Australian charities.

Charities have shared in a combined total of over \$1.45 million in funding this financial year. In determining our funding, the Directors of SGA were guided by nominations received from participating shareholders and ASX listed companies.



### Over \$100,000

Australian Wildlife Conservancy

### Under \$100,000

- Asylum Seeker Resource Centre (ASRC)
- Australian Conservation Foundation
- Australian Wildlife Conservancy
- Beyond Blue
- Caritas Australia
- Fred Hollows
- Hobart City Mission
- Medecins Sans Frontieres Australia
- Oxfam
- Queensland University of Learning Technology
- RSPCA
- St Vincent de Paul Society
- The Smith Family
- UNHCR
- Union Aid Abroad - APHEDA
- Women's Property Initiatives

## SHAREHOLDER SURVEY 2020

As part of our commitment to continuous improvement we have conducted an annual shareholder survey for our share sale service. The key findings from 2020 are as follows.

The two key reasons for using ShareGift Australia's services during the past 24 months:

To dispose of shares that were an administrative burden

49%

Because ShareGift Australia uses its funds to support charities

43%

27% of share donations were between \$51 and \$100

48% of people have donated to ShareGift Australia between 2 and 5 times

83% of people said they would use ShareGift Australia's services again

97% of respondents said they already have or are likely to recommend ShareGift Australia

### Shareholder comments

**'Relieved to be able to quit the shares knowing they were adding to a worthwhile holding while benefitting a good cause'**

**'I was unable to sell the shares so appreciated using ShareGift. You need more publicity!'**

**'A valuable. and worthwhile resource.'**

**'Website provided clear instructions. Process was easy and quick. Best way to dispose of unmarketable parcels of shares while supporting good causes.'**

**'The idea of donating shares is relatively unknown in Australia. ShareGift needs to raise its profile to promote the notion. In the longterm this could be beneficial for philanthropy in Australia.'**



# 4.

## SUPPORTERS

As a registered charity, financial and in-kind support is critical to ShareGift's delivery of a professional service to all our stakeholders – from individual shareholders and corporates to recipient charities.

ShareGift's Board of Directors thanks the following companies for their commitment over the past 12 months. By collaborating with us, these companies have demonstrated leadership in creating shared value for shareholders and the community.

### Founding Partners

JBWere  
NAB

### Endorsed by

The ASX Group (ASX)  
Australian Shareholders' Association

### Corporate supporters

Ashurst  
E.L. & C. Baillieu  
Evans & Partners  
JBWere  
King & Wood Mallesons

### Participating share registries

Advanced Share Registry  
Computershare  
Link Market Services

### Participating ASX Companies

AMP  
The ASX Group  
Bentley Capital Limited  
Coca-Cola Amatil  
Lend Lease  
NAB  
Wesfarmers  
Woodside

## GOVERNANCE

ShareGift Australia is a public ancillary fund (ABN 27 086 590 485), established by a trust deed for the purpose of making distributions to the community. It is a Tax Concession Charity (TCC) and has Deductible Gift Recipient (DGR) Item 2 status.

ShareGift Australia is registered with the Australian Charities and Not-for-profits Commission (ACNC), which requires compliance with governance standards, record-keeping requirements and the submission of annual activity reports. Current fundraising licenses are held in all Australian states.

ShareGift Australia adopts methods of best practice with respect to its financial accounting and reporting and its financial reports are audited annually by Ernst & Young.

The ShareGift Australia Board comprises highly credentialed voluntary directors, with five of the current nine directors qualifying as 'Responsible Persons' as defined by the Australian Taxation Office (ATO).

ShareGift Australia Directors are committed to high quality governance. ShareGift Australia Directors and management are guided by ShareGift Australia's core purpose of maximising ShareGift Australia's contribution to Australian charities over the long-term, while acting ethically and with integrity at all times. While we are not required to report against the ASX Corporate Governance Council's Principles and Recommendations (Principles), we believe they provide a useful guide, in particular given their relevance to our corporate partners and share donors. A summary of ShareGift Australia's approach to the key Principles of relevance is set out below.

### (a) Lay solid foundations for management and oversight

The Board is actively engaged with ShareGift Australia's progress. In particular, it is responsible for:

- setting the strategic objectives for ShareGift Australia;
- overseeing implementation of the strategy;
- approval of budgets and significant expenditure;
- overseeing the integrity of financial reporting systems; and
- approval of distributions to charities.
- Each Director is appointed in accordance with ShareGift Australia's terms of appointment. Other than the Executive Director, all Directors act on a pro-bono basis. Directors are required, among other things, to:
  - act with reasonable care and diligence;
  - act honestly in the best interests of ShareGift Australia and for its purpose;

- not misuse their position;
- not misuse information obtained in performing their duties as a ShareGift Australia Director;
- disclose any situations of actual or perceived conflict of interest; and
- ensure that ShareGift Australia's financial affairs are managed responsibly.

For the purposes of continuous improvement, and to support robust decision-making, the Board undertook an annual review. The Board considered its role, the appropriate composition of the Board, time management, and Board processes and support. Areas of strength were identified, along with opportunities for improvement.

### (b) Structure the Board to add value

As part of the merger with Good2Give, five Good2Give directors were appointed to the ShareGift Australia board with Michael Graf as chair. These directors joined continuing directors Barbara Hurley, Stephen Dear, Anna Draffin and Anthony Scuito. Fiona Avery, Cilla Boreham and Lisa Mullins retired from the board on execution of the merger. We warmly thank each of these directors for their valuable contributions to building ShareGift Australia's capability.

The Board regularly considers its mix of skills and experience. The Board has a mix of skills and experience across a variety of areas of expertise, spanning governance, marketing, legal, the charitable sector, securities structure and dealing, and finance.

### (c) Act ethically and responsibly

ShareGift Australia is committed to going beyond mere compliance and expects all Directors, employees to act ethically and responsibly. ShareGift Australia Directors and management are guided by ShareGift Australia's core purpose of maximising ShareGift Australia's contribution to Australian charities over the long-term, while acting ethically and with integrity at all times. Directors and employees are required to:

- act in the best interests of ShareGift Australia;
- act honestly and with high standards of personal integrity;
- comply with the laws and regulations that apply to ShareGift Australia and its operations;
- not knowingly participate in any illegal or unethical activity;
- not enter into any arrangement or participate in any illegal or unethical activity;
- not enter into any arrangement or participate in any activity that would conflict with ShareGift Australia's best interests or that would be likely to negatively affect ShareGift Australia's reputation;
- not take advantage of the property or information of ShareGift Australia or its stakeholders for personal gain, or cause detriment to ShareGift Australia or its stakeholders; and

- not take advantage of their position or the opportunities arising from their position for personal gain.

Directors are required to declare any situations of actual or perceived conflict and take no part in decision making in such circumstances.

#### (d) Safeguard integrity in reporting

As of December 2018, the Board's Finance and Risk Committee consists of Lisa Mullins (Chair), Barbara Hurley and Priscilla Boreham. The Committee oversees ShareGift Australia's corporate reporting processes, the appropriateness of accounting judgements (where required) and the overall integrity of the financial statements. The company's external audit is undertaken by Ernst & Young.

#### (e) Recognise and manage risk

The Board recognises that there is risk inherent in all activity. In managing risk, ShareGift Australia's Directors and management are guided by ShareGift Australia's core purpose of maximising ShareGift Australia's contribution to Australian charities over the long-term, while acting ethically and with integrity at all times.

As part of its regular strategy review, the Board has identified and considered the following key risks:

- non-compliance with regulatory requirements;
- operating in the not-for-profit sector can present a challenge to ensure sufficient reserves and corresponding stability and sustainability; and
- securing appropriate human resource talent to effectively implement ShareGift Australia's strategy, including to effectively service both corporate, not-for-profit and donor stakeholders

The Board regularly considers risk factors in its decision making and keeps identified risks under review.

## Board of Directors

Michael Graf (Chair) [from 10 Dec 2019]  
Anna Draffin  
Anthony Sciuto  
Stephen Dear  
Barbara Hurley  
Lisa Grinham [from 10 Dec 2019]  
Cynthia Nadai [from 10 Dec 2019]  
Sue Murray [from 10 Dec 2019]  
Andrew Stals [from 10 Dec 2019]

## Finance & Risk Committee Members

Fiona Avery (Chair) [to 9 Dec 2019]  
Priscilla Boreham [to 9 Dec 2019]  
Barbara Hurley [to 9 Dec 2019]

## ShareGift Australia director appointments (1 July 2019 – 30 April 2020)

Director	Date appointed	Date ceased
Stephen Dear	07-12-2015	
Barbara Hurley	17-08-2015	
Lisa Grinham	10-12-2019	
Michael Graf	10-12-2019	
Anna Draffin	20-04-2015	
Anthony Sciuto	22-07-2019	
Cynthia Nadai	10-12-2019	
Susan Murray	10-12-2019	
Andrew Stals	10-12-2019	30-06-2020
Lisa Mullins	15-12-2018	10-12-2019
Cilla Boreham	6-12-2017	10-12-2019 as Director 29-02-2020 as Company Secretary
Fiona Avery	25-07-2017	10-12-2019

## ShareGift Australia board meeting attendance (1 July 2019- 30 April 2020)

Director	Number of meetings attended	Number of meetings eligible to attend
Stephen Dear	6	7
Barbara Hurley	7	7
Lisa Grinham	2	2
Michael Graf	2	2
Anna Draffin	7	7
Anthony Sciuto	7	7
Cynthia Nadai	2	2
Susan Murray	2	2
Andrew Stals	0	2
Lisa Mullins	4	5
Cilla Boreham	4	6
Fiona Avery	4	5

# 6.

## FINANCIAL STATEMENTS

The following financial statements represent the activity of the Trust, operated by ShareGift Australia Limited for the year ended 30 April 2020\*.

Under the Corporations Act, the company, ShareGift Australia Limited, qualifies as a “small company limited by guarantee” and was therefore, not required to prepare financial statements for the year ended 30 April 2020.

*\*Prior year results are from operating years ending 30 June. Activities are now shown for a year ending 30 April in keeping with the Good2Give Group practice.*

# Statement of profit or loss and other comprehensive income

For the year ended 30 April 2020

	Note	2020 \$	2019 \$
Revenue	4	1,643,277	308,460
Donations to charities		(1,447,050)	(87,200)
Personnel expenses		(64,581)	(161,493)
Other expenses		(31,539)	(81,286)
<b>Operating surplus</b>		<b>100,107</b>	<b>(21,519)</b>
Financial expenses		(47)	(213)
Financial income	5	3,271	1
<b>Surplus before tax</b>		<b>103,331</b>	<b>(21,731)</b>
Income tax expense	3(g)	-	-
<b>Net surplus</b>		<b>103,331</b>	<b>(21,731)</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus (loss) for the year</b>		<b>103,331</b>	<b>(21,731)</b>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 12 to 20.



## Statement of changes in equity

For the year ended 30 April 2020

	Settled Sum	Accumulated Funds	Total Trust Funds
	\$	\$	\$
Balance at 1 July 2018	100	136,306	136,406
Net surplus (loss) for the year	-	(21,731)	(21,731)
Other comprehensive income	-	-	-
<b>Total comprehensive surplus (loss) for the year</b>	-	(21,731)	(21,731)
<b>Balance at 30 June 2019</b>	<b>100</b>	<b>114,575</b>	<b>114,675</b>

	Settled Sum	Accumulated Funds	Total Trust Funds
	\$	\$	\$
Balance at 1 July 2019	100	114,575	114,675
Net surplus (loss) for the year	-	103,331	103,331
Other comprehensive income	-	-	-
<b>Total comprehensive surplus (loss) for the year</b>	-	103,331	103,331
<b>Balance at 30 April 2020</b>	<b>100</b>	<b>217,906</b>	<b>218,006</b>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 12 to 20.

## Statement of financial position

As at 30 April 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
Cash and cash equivalents	6	180,447	152,128
Trade and other receivables	7	56,763	6,454
<b>Total current assets</b>		<b>237,210</b>	<b>158,582</b>
<b>Total assets</b>		<b>237,210</b>	<b>158,582</b>
<b>Liabilities</b>			
Trade and other payables	8	19,204	13,368
Employee benefits	9	-	8,808
<b>Total current liabilities</b>		<b>19,204</b>	<b>22,176</b>
<b>Total liabilities</b>		<b>19,204</b>	<b>22,176</b>
<b>Net assets</b>		<b>218,006</b>	<b>136,406</b>
<b>Trust funds</b>			
Settled sum	10	100	100
Accumulated funds		217,906	136,306
<b>Total trust funds</b>		<b>218,006</b>	<b>136,406</b>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 12 to 20.

## Statement of cash flows

For the year ended 30 April 2020

	Note	2020	2019
<b>Cash flows from operating activities</b>		\$	\$
Cash receipts from sale of donated shares		1,519,373	144,043
Cash receipts from corporations and others		67,858	135,690
Cash receipts from customers		15	101
Cash payments to registered charities		(1,447,050)	(87,200)
Cash payments to suppliers and employees		(78,598)	(228,998)
Cash from/(used in) operations		61,598	(36,364)
Interest received		3,271	1
Bank charges paid		(47)	(140)
<b>Net cash from/(used in) operating activities</b>		64,822	(36,503)
Net increase/(decrease) in cash and cash equivalents		64,822	(36,503)
Cash and cash equivalents at the beginning of the financial year		115,625	152,128
<b>Cash and cash equivalents at the end of the financial year</b>	6	180,447	115,625

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 12 to 20.

# Notes to the financial statements

## For the year ended 30 April 2020

### 1. Reporting entity

ShareGift Australia is a Trust domiciled in Australia. The address of the Trust's registered office is 12 Holtermann Street, Crows Nest, NSW 2065. The Trust's principal activities are to provide Australian shareholders with the opportunity to sell their shares and donate the proceeds to charity, without having to pay brokerage fees.

### 2. Basis of preparation

#### a) Statement of compliance

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were approved by the Board of Directors on 27 August 2020.

#### b) Basis of measurement

The financial report is prepared on the historical cost basis.

#### c) Use of estimates and judgements

The preparation of financial statements 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 estimate is revised and in any future periods affected.

#### d) Functional and presentation currency

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

#### e) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Trust recorded a total comprehensive surplus of \$103,331 (2019: total comprehensive loss of \$(21,731)) and had net cash inflows from operating activities of \$64,822 (2019: outflows of \$36,503) for the financial year ended 30 April 2020. The Trust has net assets of \$218,006 (2019: net assets of \$114,675) as at 30 April 2020.

## 2. Basis of preparation (continued)

### (e) Going concern (continued)

Payments to registered charities were \$1,447,050 in 2020 (2019: \$87,200).

The Directors are forecasting for the Trust to record a net surplus in the financial year ended 30 April 2021 and beyond into the foreseeable future, and to generate positive operating cash flows in these periods. The cost of services provided by ShareGift will continue to be met from proceeds from the sale of donated shares, contributions from corporations and others and finance income.

The Directors are confident that the existing levels of contributions from corporations and others and finance income and the control of operating expenses will lead to the generation of a net surplus and positive operating cash flows in the financial year ended 30 April 2020 and beyond into the foreseeable future.

After giving consideration to the above, the Directors consider that the Trust will continue to fulfil all obligations as and when they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and accordingly, the Trust's financial statements have been prepared on a going concern basis.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

### (a) Financial instruments

#### (i) *Non-derivative financial assets*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss.

The Trust measures financial assets at amortised cost. Financial assets at amortised cost is subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Trust's financial assets at amortised costs includes loans and receivables and deposits.

#### *Trade and other receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis applying the expect credit loss model. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised applying a simplified approach in calculating Expected Credit Losses (ECL)s.

### 3. Significant accounting policies (continued)

#### (a) Financial instruments (continued)

##### *(i) Non-derivative financial assets (continued)*

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

##### *(ii) Non-derivative financial liabilities*

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and accounts payables, net of directly attributable transaction costs.

The Trusts has the following financial liabilities: trade and other payables.

###### **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is recorded in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **(b) Revenue**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

###### *Donation income*

Income from proceeds of donated shares is recognised when shares are sold.

Income from corporate donations is recognised as they are received or, where special terms and conditions are attached to these, in accordance with those terms and conditions.

#### **(c) Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

#### **(d) 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.

### 3. Significant accounting policies (continued)

#### (d) Goods and services tax (continued)

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.

#### (e) Employee benefits

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

##### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Trust has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (f) Income tax

The Trust is exempt from income tax under section 50-5 of the Income Tax Assessment Act.

#### (g) New and amended standards and interpretations

##### **AASB 9 Financial Instruments**

The Trust applied AASB 9 for the first time. The nature and effect of the changes as a result of the adoption of this new accounting standard are not significant for the Trust and does not have an impact on the financial statements at 30 April 2020.

### 3. Significant accounting policies (continued)

#### (h) New and amended standards and interpretations (continued)

##### *AASB 1058 Income of Not-for-Profit Entities*

AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services).

Consequently AASB 1004 Contributions is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in the public sector entity context.

Several other amendments and interpretations apply for the first time since 1 July 2019, but do not have an impact on the financial statements. The Trust has not adopted any standards, interpretations or amendments that have been issued but are not yet effective.



# Notes to the financial statements

For the year ended 30 April 2020

	2020	2019
	\$	\$
<b>4. Revenue</b>		
Proceeds from sale of donated shares	1,520,375	143,527
Contributions from corporations and others	122,887	164,841
Other income	15	92
	<u>308,460</u>	<u>308,460</u>
<b>5. Financial income</b>		
Interest income	<u>3,271</u>	<u>1</u>
<b>6. Cash and cash equivalents</b>		
<b>Current</b>		
Cash at bank	<u>180,447</u>	<u>115,625</u>
<b>7. Trade receivables and other receivables</b>		
<b>Current</b>		
Trade receivables	0	0
Other receivables	55,231	32,764
	<u>32,764</u>	<u>32,764</u>

## 8. Trade and other payables

### Current

Trade and other payables	19,204	24,100
Donations payable to charities	-	5,000
	<u>19,204</u>	<u>29,100</u>

## 9. Employee benefits

### Current

Employee benefit liabilities	-	4,161
	<u>-</u>	<u>4,161</u>

## 10. Trust capital

Settled sum	100	100
	<u>100</u>	<u>100</u>

## 11. Key management personnel disclosures

### Transactions with key management personnel

Short-term benefits	-	125,057
	<u>-</u>	<u>125,057</u>

Key management personnel are reimbursed for out of pocket expenses necessarily incurred in the ordinary course of the Trust's activities.

### Other key management personnel transactions with the trust

Other than those disclosed above, there were no transactions with key management personnel during the financial year.

## 12. Fundraising appeals conducted during the financial year

Fundraising appeals conducted during the financial year included the general receiving of directly and indirectly solicited donations.

	2020	2019
	\$	\$
<i>(i) Results of fundraising appeals</i>		
Gross proceeds from fundraising:		
Proceeds from sale of donated shares	1,520,375	143,527
Contributions from corporations and others	122,887	164,841
Other income	15	92
	<u>1,643,277</u>	<u>308,460</u>

### *(ii) Application of net surplus obtained from fundraising appeals*

Distributions to registered charities	1,447,050	87,200
Administration expenses and bank charges	96,167	242,992
	<u>1,543,217</u>	<u>330,192</u>

The difference between the net surplus available from fundraising appeals and total expenditure was provided from or allocated to the following sources:

Finance income	3,271	1
Transfer (to)/from general accumulated funds	100,060	(21,732)
	<u>103,331</u>	<u>(21,731)</u>

The cost of services provided by ShareGift Australia are met by revenue from contributions from corporations and others and finance income.

## **12. Fundraising appeals conducted during the financial year (continued)**

In accordance with ShareGift's distribution policy and funding obligations, \$1,447,050 was distributed to registered DGR 1 charities in 2020 (2019: \$87,200). All share proceeds from 2019-19 were received to ShareGift Australia's deductible gift recipient fund.

ShareGift will undertake its next annual funding round shortly, considering remaining share proceeds received up to 30 April 2020.

## **13. Subsequent events**

There have been no matters subsequent to balance date which would have a material effect on the Trust's financial statements at 30 April 2020.

## Declaration by Director in respect of fundraising appeals

I, Michael Graf, Director of ShareGift Australia, declare that in my opinion:

- (a) The financial report gives a true and fair view of all income and expenditure of the Trust with respect to fundraising appeal activities for the period ended 30 April 2020;
- (b) The statement of financial position gives a true and fair view of the state of affairs of the Trust with respect to fundraising appeal activities as at 30 April 2020;
- (c) The provisions of the Charitable Fundraising (NSW) Act 1991, Charitable Collections Act (WA) 1946 and Regulations under those Acts and the conditions attached to the authority have been complied with during the period ended 30 April 2020; and
- (d) The internal controls exercised by the Trust are appropriate and effective in accounting for all income received and applied by the Trust from any of its fundraising appeals.

Dated at Melbourne this 27 August 2020.

Signed in accordance with a resolution of the Board:

A handwritten signature in black ink, appearing to be 'M. Graf', is written over a horizontal line. The signature is stylized and somewhat cursive.

### Trustee's declaration

In the opinion of the trustee of ShareGift Australia:

(e) the Trust is not publicly accountable;

(f) the financial statements and notes that are set out on pages 2 to 14 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

(i) giving a true and fair view of the Trust's financial position as at 30 April 2020 and of its performance, for the period ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(g) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a Resolution of the Board:

A handwritten signature in black ink, appearing to be 'M. Graf', is written over a horizontal line. The signature is slanted upwards from left to right.

Michael Graf

*Director*

27 August 2020



## Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the members of ShareGift Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 April 2020 there have been:

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

KPMG

Tracey Driver

*Partner*

Sydney

27 August 2020

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# Independent Auditor's Report

To the members of ShareGift Australia

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report**, of the ShareGift Australia (the Trust).

In our opinion, the accompanying Financial Report of the Trust is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and 15(2) of the *WA Charitable Collections Act 1946 and Regulations 1947* including:

- i. giving a true and fair view of the Trust's financial position as at 30 April 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 April 2020;
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies;
- iv. Trustees' declaration of the Trust; and
- v. Declaration by the Director in respect of fundraising appeals of the Trust.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Trust in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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### Responsibilities of the Trustees for the Financial Report

The Trustees are responsible for:

- i. preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC;
- ii. preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947; and
- iii. assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. 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;
- ii. 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 Trust's internal control;
- iii. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees;
- iv. conclude on the appropriateness of the Trustees' 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 Trust'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 Trust to cease to continue as a going concern; and



- v. 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 the Trustees' committee members of the registered Trust 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.

In addition we have:

- i. obtained an understanding of the internal control structure for fundraising appeal activities; and
- ii. examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

#### Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Trust's financial result of fundraising appeal activities for the financial year ended 30 April 2020;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2019 to 30 April 2020, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2019 to 30 April 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due.

#### Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, the Trust has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 30 April 2020.

KPMG

Tracey Driver

Partner

Sydney

27 August 2020

## CONTACT US

ShareGift Australia is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC).

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