
**ANNUAL
REPORT
2017**

ABOUT SGA.....	1
CHAIR & CEO REPORT	3
Shareholder Donor Survey 2016	
FUNDING TO THE COMMUNITY	7
PARTNERS & SUPPORTERS	10
GOVERNANCE	12
Board of Directors	
Finance & Risk Committee	
Staff	
FINANCIAL STATEMENTS	15
Statement of profit or loss and comprehensive income	
Statement of changes in equity	
Statement of financial position	
Statement of cash flows	
Notes to the financial statements	
Declaration by Director in respect of fundraising appeals	
Trustee's declaration	
Lead auditor's independence declaration	
Independent audit report	
CONTACT US.....	35

ABOUT SHAREGIFT AUSTRALIA

Our vision

Giving by Australian shareholders to become a major, regularly used revenue stream for the charitable sector.

We are an independent, non-profit organisation established to unlock share capital to create an innovative stream of charitable funding. Put simply, we convert and consolidate proceeds from different share activity– for example the sale of individual share parcels, donated dividends and dividend reinvestment plan residuals, corporate action share issues and unclaimed monies – and then distribute the funds to charity.

We work with leading stockbroker partners to facilitate the sale of shares, without charging brokerage which means Australian shareholders can realise the full market value of their shares as a tax deduction.

Our purpose

ShareGift Australia’s purpose is to make it easy and cost effective for shareholders to support the community through the donation of shares and related proceeds, and to grow philanthropy in Australia.

We are the only service of this kind in Australia, and are available to any shareholder, charity or ASX-listed company at no charge.

As at 30 June 2017, we have donated almost \$1.63 million to over 470 charities Australia-wide.

ShareGift Australia is regulated by the ATO, ASIC, AUSTRAC, is registered with the Australian Charities and Not-for-profits Commission (ACNC) and is endorsed by the Australian Securities Exchange (ASX) and the Australian Shareholders’ Association (ASA).

Endorsed by The ASX Group (ASX) and
The Australian Shareholders’ Association (ASA)



CHAIR & CEO REPORT

Following on from last year's strategic review, our board of directors was focussed on three critical elements for 2017 – strategy strength, financial strength and increasing our transparency and accountability.

To this effect, ShareGift reached some important milestones within this reporting period.

Key achievements

Firstly, we harmonized our financial operating performance without negatively impacting our funding to the community.

We improved profitability and cash flow from the previous 12 months. Our policies, procedures and costs were re-set to ensure we were as efficient as possible. We moved to an annual charitable funding cycle and realigned resources to produce efficiencies and lay the foundations for future scalability.

Pleasingly, during this period of internal contraction and change, we have been able to maintain the average charitable distribution level in excess of \$250,000 across the past 3 years. The board is now looking to the medium term (2020) to increase our level of charitable distributions, while ensuring an ongoing, sustainable organisation.

Secondly, we tested our strategy, which seeks to expand our corporate sector partners, for market fit and readiness.

Market response has been positive. ASX listed companies have expressed an appetite for ShareGift's services. We believe a strategic

partnership with ShareGift can add to a company's performance reporting against ASX's ESG guidelines, generate shared value (in addition to commercial return) for shareholders at minimum (or no) cost, reduce costs associated with share registry maintenance and create innovative, corporate social responsibility (CSR) thought leadership.

Thirdly, as a board, we were committed to increasing our transparency and accountability to our stakeholders and to the community.

During the year, we released our inaugural annual report in November 2016, announced results from each funding round via donor-direct communications and digital campaigns, established an annual survey of our shareholder donors and undertook a board review.

Results from our first ever Shareholder Donor Survey 2016 provided valuable customer feedback both internally and externally. 75% of shareholders surveyed used ShareGift's services because it was a simple way to divest a share parcel, particularly for those holdings under \$1,000. Please refer to the accompanying break out box for more key findings.

SHAREHOLDER DONOR SURVEY 2016

To assist us with improving our share sale service, ShareGift Australia conducted our first ever shareholder donor survey in 2016. The key findings are as follows.

Customer satisfaction



91%

had already or were likely to recommend ShareGift to a friend or colleague

Customer frequency



74%

had already or were likely to use ShareGift again

Top three customer motivations for using ShareGift's services

- to dispose of shares that were an administrative burden **75%**
- because ShareGift distributes funds to charities **55%**
- to avoid brokerage costs on share sale **14%**

Nominate a particular charity or leave that part to us?

- Donors eligible to nominate a charity were split on this option
- **35%** thought it was not important and were happy to leave that to us
- **34%** felt it was very important, and therefore had elected to use this facility

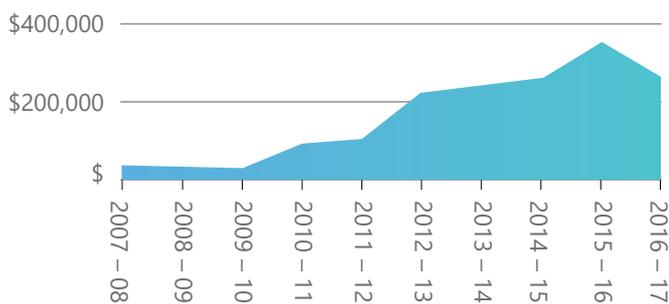
Conducted November 2016. Sent to ShareGift shareholder donors active from 2014-2016. All responses were anonymous.

Community returns

The directors are pleased to announce charitable funding of \$268,250 was approved and distributed with a record date of 30 June 2017 and payment by 30 September 2017.

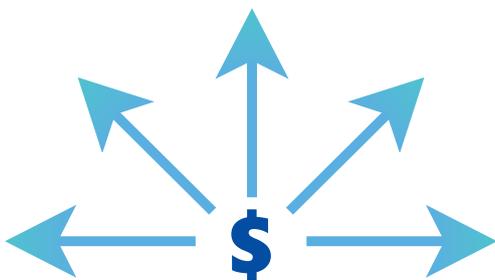
One of the key benefits of partnering with ShareGift Australia is that we undertake due diligence on all charities that we fund, including the latest information from the ACNC registry. During our 2017 distribution round, the board deferred making funding decisions for a small number of charities due to the incomplete nature of due diligence supplied by those charities within the specified period. These nominations will be reconsidered by the board within our next funding cycle.

A complete list of recipient charities is available on page 7 of this report.



Graph 1: Annual Distributions to Charity

ShareGift Australia's cumulative distributions now total more than \$1.63m to over 470 charities.

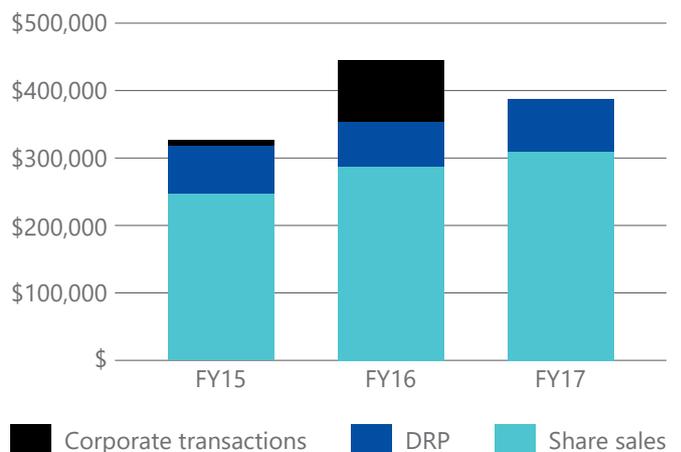


\$1.63 MILLION
DISTRIBUTED TO THE COMMUNITY

Operating results

The directors are pleased to announce a \$40,670 surplus for the year ended 30 June 2017, a positive turnaround from the \$34,621 deficit recorded in the previous year.

At 30 June 2017, our net assets stood at \$60,832 (up from \$20,162 in 2016).



Graph 2: Share Activity by Type

Financial position

Cost containment, including the provision of premises by new corporate supporter, King & Wood Mallesons and marketing collateral from design studio Immediacy, has assisted our position. The board warmly thanks both these organisations for their significant support along with that of our continuing corporate partners JBWere, Baillieu Holst, Evans & Partners and KPMG. The board where possible, will seek other like opportunities for pro bono support within the context of maintaining a professionally-led and presented organisation.

Cash position

The level of share sale donations from individual shareholders continued to grow modestly (see Graph 2: Share Activity by Type). The significantly increased cash position of \$206,204 (up from \$22,885 in 2016) recorded at 30 June 2017, has since been largely paid out to relevant charities as

at 30 September 2017. Nonetheless, the board's decision to move to a single funding cycle timed at year end, enabled us to achieve more efficient cash and resource movement and reduce administration effort (both for ShareGift Australia and for charities funded) that contributed to our overall positive operating results.

The board will continue to monitor ShareGift Australia's performance, while remaining mindful of our charitable purpose. To support our continued success and to work within the parameters of a donor-advised fund, ShareGift has adopted a consolidated group approach to our revenues from 1 July 2017.

Succession

The board wishes to acknowledge the people behind ShareGift's evolution.

Our thanks to outgoing director David Ward for his expert knowledge and contribution to ShareGift's establishment and growth during our first 10 years, and a warm welcome to new director, Fiona Avery and new team members, Dipna Dus, Chief Financial Officer and Margaux Delaney, Shareholder & Corporate Services Officer. Our fond thanks also to former staff Georgette Toohey, Donor Relations Manager and Dean Dribbin, Business Development and Marketing Intern, who both finished during the year.



470+ CHARITIES
SUPPORTED

Outlook

We continue to implement our strategy to expand our partnerships with ASX listed companies, for the benefit of community returns.

Our vision is for ShareGift to become an industry standard for the ASX's leading companies.

Dividend Reinvestment Plan (DRP) partnerships remain a key area of focus. We are grateful for the leadership and support of our existing Dividend Reinvestment Plan partners – NAB, Wesfarmers, CocaCola Amatil and Murray Goulburn. We invite other ASX companies with DRPs to consider partnering with us.

Unlocking just a fraction of the ASX's estimated \$1.8 trillion market capitalisation would trigger a huge, new wave of philanthropic funding for the Australian community. Value for shareholders and the community may be easily offered via a DRP and other investor activities such as share sale facilities, unrepresented dividend payments and investor awareness campaigns.

ShareGift and its contribution to the Australian community are a testament to all participating ASX companies, donors, corporate partners, current and past directors and staff. We thank you all.

Kate Griffiths
Chair

Anna Draffin
Executive Director

SHAREGIFT FUNDING TO THE COMMUNITY

During 2017, ShareGift Australia donated **\$268,250** to the community via **131** Australian charities.

Our board of directors determined our 2017 allocation, guided by recommendations received from individual share donors and supporting companies.

Where a donor did not nominate a charity or the value of the share sale was less than \$50, the funds were pooled to fund nominated charities, partially support our operations or invested for future community benefit.

During our 2017 distribution round, the board deferred making funding decisions for a small number of charities due to the incomplete nature of due diligence supplied by those charities within the specified period. These nominations will be reconsidered by the board within our next funding cycle.

The board encourages all Australian charities to ensure they are meeting the basic governance standards required for a private or public ancillary fund to donate to their organisation. To assist with best practice, we have included a quick checklist for charities on our website www.sharegiftaustralia.org.au/charities.

Thank you to the thousands of shareholders who donated shares to ShareGift Australia over the past 12 months.

The following organisations have benefited from your generosity.

Charities funded during 2017

\$10,000-\$30,000

Australian Conservation Foundation
Birdlife Australia Ltd.
Bush Heritage Australia
Médecins Sans Frontières Australia
Tasmanian Land Conservancy Fund
Telethon Kids Institute
The Smith Family
Wilderness Society

\$1,000-\$9,999

Alzheimer's Australia
Arthritis NSW
Asylum Seeker Resource Centre
Australia For UNHCR
Australian Cancer Research Foundation
Australian Red Cross Society
Breast Cancer Network Australia
Cancer Council NSW
Cancer Council VIC
Care Australia
Caritas Australia (Overseas Aid Fund)
Centre for Eye Research Australia
Children's Cancer Centre Foundation
Exodus Foundation

Garvan Institute of Medical Research
Guide Dogs NSW & ACT
Lifeline Australia
Little Sisters of the Poor
National Heart Foundation of Australia (NSW Division)
Prahran Mission
Reachout Australia
Royal Flying Doctor Service of Australia
Royal Flying Doctor Service of Australia (Western Operations)
Royal Institute for Deaf & Blind Children
RSPCA NSW
RSPCA QLD
Salvation Army–Eastern Territory (NSW, QLD)
St Vincent de Paul Society NSW
Stop The Traffik
Tear Fund Australia
The Alfred Foundation
Total Environment Centre
Vision Australia
Westpac Rescue Helicopter Service Hunter Region (Northern NSW Helicopter Rescue Service Limited)
WIRES (NSW Wildlife Information Rescue and Education Service Incorporated)
Your Town (Kids Helpline Service)
Youth Off The Streets

Under \$1,000

Aboriginal Literacy Foundation
Alannah & Madeline Foundation
Alzheimer’s Australia NSW
Angel Flight Australia
Anglicord
Arthritis Foundation of WA
Asthma Foundation VIC
Aussie Helpers
Australia Huntingtons Disease Association QLD Inc

Australian Children’s Music Foundation
Australian Crohn’s and Colitis Association (ACCA)
Autism Victoria (AMAZE)
Bendigo Chinese Association Museum
Beyond Blue
Big Brothers–Big Sisters Australia
Bravehearts
Burnet Institute
C Care Inc
Camp Quality
Cancer Council NT
Cancer Council QLD
Cancer Council WA
CanTeen
Challenge Cancer Support Network
Children’s Hospital Foundation QLD
Children’s Medical Research Institute
Coast Shelter
Cottage by the Sea Queenscliff
Country Fire Authority & Brigades Donation Fund
DEBRA Australia
Epworth Foundation
Fred Hollows Foundation
Friends of the Western Ground Parrot Inc
German Shepherd Rescue Victoria
Greenpeace Australia
Guide Dogs VIC
Gurrumul Yunupingu Foundation
Heart Research Australia
House with No Steps
JDRF Australia
Jesuit Mission
Kidney Health Australia
Koala Kids
Leukaemia Foundation of Australia
Lock the Gate Alliance
Lost Dogs Home
Luke Priddis Foundation
Mary Potter Foundation

Mercy Ships Australia Limited
 Mission Australia
 Motor Neurone Disease Association of NSW
 MS Research Australia
 Multiple Sclerosis Australia
 Multiple Sclerosis Society WA
 Mummy's Wish
 Myeloma Foundation of Australia
 National Heart Foundation of Australia
 National Stroke Foundation
 Ovarian Cancer Australia
 Oxfam Australia
 Parkinson's Victoria
 Pet Rescue Ltd
 Queensland Institute of Medical Research
 Redkite
 Ronald McDonald House Charities
 Ronald McDonald House South East QLD
 Royal Children's Hospital Foundation VIC
 Royal Childrens Hospital Good Friday Appeal

Royal Flying Doctor Service of Australia
 (Queensland Section)
 Royal Hobart Hospital Research Foundation
 RSPCA Australia
 RSPCA WA
 Sacred Heart Mission St Kilda
 Save The Children Australia
 Starlight Children's Foundation Australia
 Swags For Homeless
 Sydney Children's Hospital Foundation
 The Wirrpanda Foundation
 Trust for Nature (Victoria)
 Unicef Australia
 Uniting Care NSW ACT
 Women's and Children's Hospital Foundation SA
 World Society for the Protection of Animals
 (WSPA)
 World Vision Australia
 World Wide Fund for Nature Australia (WWF)
 Youngcare

TOP 5 AREAS OF IMPACT FUNDED

2016	2017
Culturally & Linguistically Diverse Communities	Animal Welfare
Environment	Environment
Health, Wellbeing & Medical Research	Health, Wellbeing & Medical Research
International Aid & Development	Social and Public Welfare
Poverty & Disadvantage	Youth

PARTNERS & SUPPORTERS

During 2017, ShareGift Australia was generously supported by many companies and individual shareholder donors whose contributions facilitated ShareGift Australia's funding to the community and our ongoing operation.

ShareGift would like to acknowledge our founding and corporate partners, the publicly listed companies who have participated in and actively promoted our services to their shareholders during the past 12 months, and the endorsements from industry peak bodies and leading share registries, which ensure the continuity of our services for the Australian community.

By working with ShareGift Australia, these companies have demonstrated their commitment to positive corporate social responsibility and created shared value for shareholders and the Australian community.

Shareholder donors also contributed towards operating costs through the first \$10 of each share sale donation. Donors could additionally elect to support our operations via the tick box on their share donation form. As ShareGift Australia is a registered charity, these amounts were included in the tax deduction, giving donors the confidence that 100% of their donation is providing a positive social return. We were also generously supported by a number of individual donors.

We thank the following companies and individuals for their engagement over the past 12 months.

Founding Partners

JBWere
NAB

Participating ASX Companies

AMP
The ASX Group
Bentley Capital Limited
Coca Cola Amatil
Fairfax Media
Lend Lease
Macquarie
Murray Goulburn
NAB
Wesfarmers
Westfield Corporation
Woodside

Participating Registries

Advanced Share Registry
Computershare
Link Market Services

Endorsed by

Australian Securities Exchange (ASX)

Australian Shareholders' Association (ASA)

Corporate Partners

Baillieu Holst

Evans & Partners

JBWere

Immediacy

King & Wood Mallesons

KPMG

Coal Photography: Alexander Legaree

Major Donors (Operations)

Harrie Baker

Christopher Thorn

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 KPMG.

The ShareGift Australia Board comprises highly credentialed voluntary directors, with five of the current six 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;
- appointment of the Executive Director;
- 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 conducted a 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. The Board will consider enhancement opportunities for implementation in 2018. As the organisation moves through the current phase of consolidation, the Board will seek to recruit Directors with marketing and digital technology skills and linked to markets in Sydney and Perth.

(b) Structure the Board to add value

Board renewal is important to support ShareGift Australia's continued evolution. David Ward retired from the Board at year end. David contributed his expert knowledge to the Board over 10 years. We thank David for his long and dedicated service. We welcome Fiona Avery to the Board and as Chair of the Finance and Risk Committee.

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 5 August 2017, the Board's Finance and Risk Committee consists of Fiona Avery (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 Board is grateful to KPMG who provides audit services on a pro bono basis.

(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 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.

During the year, the Charter of the Finance and Risk Committee was updated to reflect the role the Committee has in also overseeing risk. In addition, ShareGift Australia's processes for identifying and managing risk were updated, to support appropriate risk identification and mitigation.

Board of Directors

Kate Griffiths (Chair)
 Priscilla Boreham
 Stephen Dear
 Anna Draffin (Executive Director)
 Barbara Hurley
 David Ward

Company Secretary
 Priscilla Boreham

Finance & Risk Committee Members

David Ward (Chair) (to 30 June 2017)
 Fiona Avery (Chair) (from 5 August 2017)
 Priscilla Boreham
 Barbara Hurley

Staff

Anna Draffin
Executive Director

 Dipna Dus
Chief Financial Officer (from June 2017)

 Madaline Rielly
Shareholder & Corporate Services Manager (from March 2017)
Donor Relations Officer (to February 2017)

 Georgette Toohey
Donor Relations Manager (to February 2017)

 Margaux Delaney
Shareholder & Corporate Services Officer (from March 2017)

 Dean Dribbin
Marketing & Business Development Intern (April – June 2017)

Attendance at Meetings of the Board of Directors by Eligibility

DIRECTOR	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS ELIGIBLE TO ATTEND
Priscilla Boreham	9	10
Stephen Dear	9	10
Anna Draffin	10	10
Kate Griffiths	9	10
Barbara Hurley	10	10
David Ward	10	10

Attendance at Meetings of the Committee by Eligibility

DIRECTOR	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS ELIGIBLE TO ATTEND
Priscilla Boreham	3	3
Barbara Hurley	3	3
David Ward	2	3

FINANCIAL STATEMENTS

The following financial statements represent the activity of the Trust, operated by ShareGift Australia Limited for the year ended 30 June 2017.

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 June 2017.

Statement of profit or loss and other comprehensive income For the year ended 30 June 2017

	Note	2017	2016
\$	\$		
Revenue	4	416,640	464,250
Donations to charities		(266,500)	(349,700)
Personnel expenses		(48,646)	(111,185)
Other expenses		(60,662)	(37,904)
		40,832	(34,539)
Financial expenses		(168)	(85)
Financial income	5	6	3
Surplus/(deficit) before tax		40,670	(34,621)
Income tax expense	3(g)	-	-
Net surplus/(deficit)		40,670	(34,621)
Other comprehensive income	-	-	-
Total comprehensive surplus/(deficit) for the year		40,670	(34,621)

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 20 to 27.

Statement of changes in equity For the year ended 30 June 2017

	Settled Sum	Accumulated Funds	Total Trust Funds
\$	\$	\$	
Balance at 1 July 2015	100	54,683	54,783
Total comprehensive deficit for the year			
Net deficit for the year	-	(34,621)	(34,621)
Other comprehensive income	-	-	-
Total comprehensive deficit for the year		(34,621)	(34,621)
Balance at 30 June 2016	100	20,062	20,162

Settled	Accumulated Sum	Total Trust Funds	Funds
\$	\$	\$	
Balance at 1 July 2016	100	20,062	20,162
Total comprehensive surplus for the year			
Net surplus for the year	-	40,670	40,670
Other comprehensive income	-	-	-
Total comprehensive surplus for the year		40,670	40,670
Balance at 30 June 2017	100	60,732	60,832

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 20 to 27.

Statement of financial position As at 30 June 2017

	Note	2017	2016
\$	\$		
Assets			
Cash and cash equivalents	6	206,204	22,885
Trade and other receivables	7	8,600	2,246
Total current assets		214,804	25,131
Total assets		214,804	25,131
Liabilities			
Trade and other payables	8	153,357	3,153
Employee benefits	9	615	1,816
Total current liabilities		153,972	4,969
Total liabilities		153,972	4,969
Net assets		60,832	20,162
Trust funds			
Settled sum	10	100	100
Accumulated funds		60,732	20,062
Total trust funds		60,832	20,162

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 20 to 27.

Statement of cash flows

For the year ended 30 June 2017

	Note	2017	2016
		\$	\$
Cash flows from operating activities			
Cash receipts from sale of donated shares		313,833	397,131
Cash receipts from corporations and others		102,614	67,119
Cash receipts from customers		193	1,451
Cash payments to registered charities		(123,050)	(349,700)
Cash payments to suppliers and employees		(110,109)	(151,840)
Cash from/(used in) operations		183,481	(35,839)
Interest received		6	3
Interest paid		(168)	(85)
Net cash from/(used in) operating activities		183,319	(35,921)
Net increase/(decrease) in cash and cash equivalents		183,319	(35,921)
Cash and cash equivalents at the beginning of the financial year		22,885	58,806
Cash and cash equivalents at the end of the financial year	6	206,204	22,885

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 20 to 27.

Notes to the financial statements For the year ended 30 June 2017

1. Reporting entity

ShareGift Australia is a Trust domiciled in Australia. The address of the Trust's registered office is 21-27 Somerset Place, Melbourne, Victoria, 3000. 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 26 September 2017.

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 net surplus of \$40,670 (2016: deficit of \$34,621), and had net cash inflows from operating activities of \$183,319 (2016: outflows of \$35,921) for the financial year ended 30 June 2017. The Trust has working capital and net assets of \$60,832 (2016: \$20,162) as at 30 June 2017.

The Directors are forecasting for the Trust to record a net surplus in the financial year ended 30 June 2018 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 June 2018 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.

Notes to the financial statements For the year ended 30 June 2017

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*

The Trust initially recognises loans and receivables and deposits on the date that they are originated.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Trust has the following non-derivative financial assets: trade and other receivables, cash and cash equivalents.

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*

Financial liabilities are recognised initially on the date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Trust has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

(b) Impairment

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss events had negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Trust on terms that the Trust would not consider otherwise, indications that a debtor or issuer will enter bankruptcy.

Loans and receivables

The Trust considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually

Notes to the financial statements

For the year ended 30 June 2017

significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Trust uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(c) 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.

(d) 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.

(e) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

(f) 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

Notes to the financial statements For the year ended 30 June 2017

employees render the service are discounted to their present value.

Other long-term employee benefits

The Trust's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Trust's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

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.

(g) Income tax

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

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been applied in preparing these financial statements. Those which may be relevant to the Trust are set out below. The Trust does not plan to adopt these standards early.

AASB 9 Financial Instruments (2014)

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Trust is assessing the potential impact on its financial statements resulting from the application of AASB 9.

AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all lease with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments.

AASB 16 is effective for annual reporting periods beginning on or after January 2019.

Notes to the financial statements

For the year ended 30 June 2017

	2017	2016
	\$	\$
4 Revenue		
Proceeds from sale of donated shares	313,833	397,131
Contributions from corporations and others	102,614	67,119
Other income	193	-
	<u>416,640</u>	<u>464,250</u>
5 Financial income		
Interest income	<u>6</u>	<u>3</u>
6 Cash and cash equivalents		
Cash at bank	<u>206,204</u>	<u>22,885</u>
7 Trade receivables and other receivables		
Current		
Trade receivables	633	70
Other receivable	7,967	2,176
	<u>8,600</u>	<u>2,246</u>

Notes to the financial statements

For the year ended 30 June 2017

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.

	2017	2016
	\$	\$
i) Results of fundraising appeals		
Gross proceeds from fundraising:		
Proceeds from sale of donated shares	313,833	397,131
Contributions from corporations and others	102,614	67,119
Other income	193	-
Less: direct costs of fundraising appeals	-	-
	416,640	464,250
ii) Application of net surplus obtained from fundraising appeals		
Distributions to registered charities	266,500	349,700
Administration expenses	109,476	149,174
	375,976	498,874
The difference between the net surplus available from fundraising appeals and total expenditure was provided from or allocated to the following sources:		
Finance income	6	3
Transfer (to)/from general accumulated funds	(40,670)	34,621
	(40,664)	34,624

The cost of services provided by ShareGift Australia are met by revenue from contributions from corporations and others and finance income. From 1 July 2012 the first \$10 of every donation was used to support ShareGift Australia's activities and from 1 July 2014 donors of shares have been able to direct their donations to ShareGift Australia by nominating it as the recipient charity.

The distributions to registered charities for 2017 totalled \$268,250. The variance of \$1,750 is in relation to deferred distributions in prior year.

Notes to the financial statements For the year ended 30 June 2017

13. Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Trust's financial statements at 30 June 2017.

Declaration by Director in respect of fundraising appeals

I, Fiona Avery, 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 financial year ended 30 June 2017;
- 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 June 2017;
- 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 year ended 30 June 2017; 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 26th September 2017

Signed in accordance with a resolution of the Board:



Fiona Avery
Director

Trustee's declaration

In the opinion of the trustee of ShareGift Australia:

- a)** the Trust is not publicly accountable;
- b)** the financial statements and notes that are set out on pages 16 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Trust's financial position as at 30 June 2017 and of its performance, for the financial year 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
- c)** 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:



Fiona Avery
Director

26 September 2017

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

To: the directors and trustees 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 June 2017 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.



Tony Nimac
Partner

26 September 2017

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, including:

- i. giving a true and fair view of the Trust's financial position as at 30 June 2017, 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 June 2017.
- 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.
- 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* (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.

Independent Auditor's Report: To the members of ShareGift Australia

Report on the audit of the Financial Report

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 the Acts and Regulations.
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Trust's ability to continue as a going concern. 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.

Undertaking an audit in accordance with Australian Auditing Standards, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report: To the members of ShareGift Australia

Report on the audit of the Financial Report

- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- v. Concluding 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 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 Trust to cease to continue as a going concern.
- vi. Evaluating 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- 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.

Independent Auditor's Report: To the members of ShareGift Australia

Report on the audit of the Financial Report

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 June 2017;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2016 to 30 June 2017, 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 2016 to 30 June 2017 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 June 2017.



KPMG



Tony Nimac
Partner

Sydney

26 September 2017

CONTACT US

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

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