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

# Financial Report
31 December 2015

**CONTENTS**

The Directors present their report together with the financial report of the Make-A-Wish Foundation of Australia Ltd ("the Company"), for the financial year ended December 31st 2015 including the Auditor's Report.

## 1. Directors

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

**David Briskin (Chairperson, Member of the Finance Committee)**
BEc, LL.B
Director, Briskin Group of Companies; Director, Adairs Limited; Director, Melbourne Fashion Festival

**Cath Mulcare (Treasurer, Chair of the Finance Committee)**
BEc (Accounting), FCA
Chief Risk Officer, Defence Health; Director, SMSF Association

**Dearne Cameron (Member of the Finance Committee)***
BA, MMGT, MBA, FAICD, FAIM, CPM
Director, Integrated Comms Pty Ltd; Director, House With No Steps

**Christine Mossop**
JP
Director, Mossop Group Pty Ltd

**Ian Shaw (Company Secretary, Member of the Finance Committee)**
BBus (Accounting), B.InfoTech (Information Systems), GDip CA, CA, ASA, GKIHS
Director, Extrado – Accountants & Advisors

**Ed Smith**
MBA
Executive Director, Sales and Marketing, Foxtel

**Russell Evans (Member of the Finance Committee)**
BBus (Marketing), MBA
CEO, Wolters Kluwer, CCH

**Gerard Menses (CEO, Member of the Finance Committee)**
BA (hons)(Psychology), MA (Counselling), FAIM

**Melinda Geertz****
BA
CEO, Leo Burnett Melbourne

**Stephen Sharp (Member of the Finance Committee)*****
BEc, LL.B
Partner, Arnold Bloch Leibler Lawyers and Advisers

* Retired from the Board 15th May 2015
** Appointed 6th March 2015
*** Appointed 18th September 2015

## 2. Directors' Meetings

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

| Director | Board | | Finance | |
|---|---|---|---|---|
| | Available Meetings | Attended | Available Meetings | Attended |
| David Briskin | 5 | 5 | 4 | 4 |
| Cath Mulcare | 5 | 5 | 4 | 4 |
| Dearne Cameron | 2 | 2 | 0 | 0 |
| Christine Mossop | 5 | 5 | 0 | 0 |
| Ian Shaw | 5 | 4 | 4 | 3 |
| Ed Smith | 5 | 3 | 0 | 0 |
| Russell Evans | 5 | 5 | 4 | 4 |
| Gerard Menses | 5 | 5 | 4 | 4 |
| Melinda Geertz | 4 | 2 | 0 | 0 |
| Stephen Sharp | 2 | 1 | 4 | 3 |

## 3. Principal Activities

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

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

The Company's strategic objectives for the 2016 financial year and beyond are:

- Increase the number and improve the quality of wishes we grant to 600 in 2016, building to 1,000 by 2018.
- Use our incredible wish stories to better explain the importance of our work.
- Continue to build on our sustainable fundraising model through partnerships, fundraising and community engagement to ensure we have the supporter base we need.
- Invest in infrastructure to enable us to achieve 2,000 great wishes per year.

## 5. Performance Measurements of the company

The Directors meet regularly to monitor the performance of the Company. KPIs include growth in the number of wishes granted, number of applications received, fundraising revenue and cost, total cost and market research studies.

## 6. Operating and Financial Reviews

The company recorded a surplus of $1,382,186 for the year ended December 31st 2015. (2014: $1,044,084). The sustainable fundraising initiatives implemented in 2012 continue to provide momentum in all areas of fundraising.

### 7. Significant Changes in the State of Affairs

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

### 8. Environmental Regulations

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

### 9. Events Subsequent to Reporting Date

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

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

### 10. Indemnification

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

### 11. Insurance Premiums

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

### 12. Member Contribution

The Company is a public company limited by guarantee. Each member of the Company undertakes to contribute an amount not exceeding $20 in the event of the Company being wound up while a member, or within one year after ceasing to be a member. As at December 31st 2015 the number of members was 55 (2014: 61).

### 13. Non-Audit Services

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

## 14. Proceedings on Behalf of the Company

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

## 15. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the financial year ended December 31st 2015.

This report is made with a resolution of the Directors.

..................................................
David Briskin
Chairman

..................................................
Cath Mulcare
Treasurer

Dated at: Richmond, Victoria this 27th Day of May 2016.

Grant Thornton

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

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Make-A-Wish Foundation of Australia Ltd for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 27 May 2016

# Make-A-Wish Foundation of Australia Ltd
## Statement of Financial Position
As at December 31st 2015

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | 12 | 1,485,479 | 1,154,185 |
| Trade and other receivables | 11 | 1,138,254 | 785,585 |
| Other financial assets | 10 | 4,034,316 | 2,880,023 |
| Prepayments | | 373,578 | 358,654 |
| Assets held for sale | 8 | - | 1,334,630 |
| **Total current assets** | | 7,031,627 | 6,513,077 |
| **Non-current Assets** | | | |
| Property, plant and equipment | 7 | 667,420 | 240,507 |
| **Total non-current assets** | | 667,420 | 240,507 |
| **Total assets** | | 7,699,047 | 6,753,584 |
| **Current Liabilities** | | | |
| Trade and other payables | 17 | 781,616 | 1,011,803 |
| Employee benefits | 16 | 300,333 | 266,216 |
| Unearned revenue | 18 | - | 249,200 |
| Other financial liabilities | 19 | 500 | 500 |
| **Total current liabilities** | | 1,082,449 | 1,527,719 |
| **Non-current Liabilities** | | | |
| Employee benefits | 16 | 57,738 | 42,794 |
| **Total non-current liabilities** | | 57,738 | 42,794 |
| **Total liabilities** | | 1,140,187 | 1,570,513 |
| **Net assets** | | 6,558,860 | 5,183,071 |
| **Equity** | | | |
| ***Reserves*** | | | |
| Financial asset reserve | | (6,397) | - |
| | | (6,397) | - |
| ***Accumulated Funds*** | | | |
| Accumulated funds | 13 | 5,183,071 | 4,138,987 |
| Current year surplus / ( deficit ) | | 1,382,186 | 1,044,084 |
| | | 6,565,257 | 5,183,071 |
| **Total equity** | | 6,558,860 | 5,183,071 |

*The accompanying notes on pages 11 to 25 form part of these financial statements.*

| | Note | 2015 $ | 2014 $ |
|---|---|---|---|
| **Operations** | | | |
| *Revenue* | | | |
| Public support | 4 | 14,485,392 | 13,103,265 |
| Special events | 4 | 3,211,405 | 3,181,866 |
| Less cost of direct benefit to donors | 4 | (662,061) | (934,609) |
| Other income | 5 | 161,076 | 138,694 |
| **Total income** | | 17,195,812 | 15,489,216 |
| *Expenses* | | | |
| Wish services | | (8,184,880) | (7,727,802) |
| Support services: | | | |
| Fundraising, Marketing and Communications | | (6,897,710) | (6,064,762) |
| Management and general | | (731,033) | (652,514) |
| Finance Costs | 6 | (3) | (54) |
| **Total expenses** | | (15,813,626) | (14,445,132) |
| **Surplus / (Deficit) before income tax** | | 1,382,186 | 1,044,084 |
| Income tax expense | 3L | - | - |
| **Surplus / (Deficit) after income tax** | | 1,382,186 | 1,044,084 |
| **Other comprehensive income / (loss)** | | | |
| **Items that may be re-classified subsequently to profit or loss** | | | |
| Net change in fair value of available-for-sale financial assets | | (6,397) | (2,625) |
| **Other comprehensive income / (loss) for the period** | | (6,397) | (2,625) |
| **Total comprehensive income / (loss) for the period** | | 1,375,789 | 1,041,459 |

*The accompanying notes on pages 11 to 25 form part of these financial statements.*

| | Note | Reserves $ | Retained Earnings $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 January 2014** | | **2,625** | **4,138,987** | **4,141,612** |
| Surplus / (Deficit) after tax | 13 | - | 1,044,084 | 1,044,084 |
| Other comprehensive income | | (2,625) | - | (2,625) |
| Total comprehensive income for the year | | (2,625) | 1,044,084 | 1,041,459 |
| **Balance at 31 December 2014** | | **-** | **5,183,071** | **5,183,071** |

| | Note | Reserves $ | Retained Earnings $ | Total Equity $ |
|---|---|---|---|---|
| **Balance at 1 January 2015** | | - | **5,183,071** | **5,183,071** |
| Surplus / (Deficit) after tax | 13 | - | 1,382,186 | 1,382,186 |
| Other comprehensive income | | (6,397) | - | (6,397) |
| Total comprehensive income for the year | | (6,397) | 1,382,186 | 1,375,789 |
| **As at 31 December 2015** | | **(6,397)** | **6,565,257** | **6,558,860** |

*The accompanying notes on pages 11 to 25 form part of these financial statements.*

| | 2015 $ | 2014 $ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash receipts from donations and fundraising activities | 16,409,315 | 15,090,446 |
| Cash paid to suppliers and employees | (17,010,858) | (14,442,857) |
| Cash from / (used in) operations | (601,543) | 647,589 |
| Interest received | 107,426 | 102,623 |
| Interest paid | (3) | (54) |
| **Net cash from / (used in) operating activities** | (494,120) | 750,158 |
| **Cash flows from investing activities** | | |
| Payment for property, plant and equipment, and intangibles | (529,382) | (134,289) |
| Proceeds from sale of Assets | 2,499,863 | 254,850 |
| Increase in Placement of Investments | (1,145,067) | (337,485) |
| **Net cash from investing activities** | 825,414 | (216,924) |
| **Net increase / (decrease) in cash and cash equivalents** | 331,294 | 533,234 |
| Cash and cash equivalents at 1 January | 1,154,185 | 620,951 |
| **Cash and cash equivalents at 31 December** | 1,485,479 | 1,154,185 |

*The accompanying notes on pages 11 to 25 form part of these financial statements.*

**1. General information and statement of compliance.**

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

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

The financial statements for the year ended 31 December 2015 were approved and authorised for issue by the Board of Directors on 27th May 2016.

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

**(b) Functional and presentation currency**
The financial statements are presented in Australian dollars, which is the Company's functional currency.

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:
3. (i) Employee benefits

## 2. Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 January 2015.

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2015. The following is a list of all new standards.

| | | | |
|---|---|---|---|
| AASB 1057 *Application of Australian Accounting Standards* | In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 *Application of Australian Accounting Standards.* | 1 January 2016 | *When this Standard is first adopted for the year ending 31 December 2016, there will be no impact on the financial statements.* |
| AASB 9 Financial Instruments (December 2014) | AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.<br>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:<br>a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.<br>b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.<br>c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.<br>d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.<br>e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:<br>• the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)<br>• the remaining change is presented in profit or loss | 1 January 2018 | The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018. |

| | | | |
|---|---|---|---|
| | If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.<br>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:<br>• classification and measurement of financial liabilities; and<br>• derecognition requirements for financial assets and liabilities.<br>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.<br>Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting. | | |
| AASB 15 *Revenue from Contract* | AASB 15:<br>• replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations:<br>– establishes a new revenue recognition model<br>– changes the basis for deciding whether revenue is to be recognised over time or at a point in time<br>– provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)<br>– expands and improves disclosures about revenue<br><br>In May 2015, the AASB issued ED 260 *Income of Not-for-Profit Entities*, proposing to replace the income recognition requirements of AASB 1004 *Contributions* and provide guidance to assist not-for-profit entities to apply the principles of AASB 15. The ED was open for comment until 14 August 2015 and the AASB is currently in the process of re-deliberating its proposals with the aim of releasing the final amendments in late 2016. | 1 January 2018 | *The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.* |
| AASB 16 Leases | AASB 16:<br>• replaces AASB 117 Leases and some lease-related Interpretations<br>• requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases<br>• provides new guidance on the application of the definition of lease and on sale and lease back accounting<br>• largely retains the existing lessor accounting requirements in AASB 117<br>• requires new and different disclosures about leases | 1 January 2019 | *The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 31 December 2019 includes:*<br>*• there will be a significant increase in lease assets and financial liabilities recognised on the balance sheet* |

| | | | |
|---|---|---|---|
| | | | *• the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities*<br>*• EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses*<br>*• Operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities* |
| AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* | The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.<br>The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:<br>i The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or<br>ii When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. | 1 January 2016 | *When these amendments are first adopted for the year ending 31 December 2016, there will be no material impact on the transactions and balances recognised in the financial statements.* |

| | | | |
|---|---|---|---|
| *AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* | The amendments extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities. The key impact of the amendments is to specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities. | 1 July 2016 | *When these amendments are first adopted for the year ending 31 December 2017, there will be significant additional disclosures on the financial statements.* |

### 3. Summary of accounting policies

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

#### (a) Revenue

i. **Consumer fundraising**
Revenue received from voluntary donations from the general public is recognised when received.

ii. **Corporate fundraising**
Revenue received from fundraising activities in corporate organisations is recognised when received.

iii. **Bequest distributions**
Revenue bequeathed through a Will is recognised as revenue when received.

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

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

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

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

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

**(b) Finance income**

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

**(c) Property, plant and equipment**

i. **Recognition & measurement**
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.
Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

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

iii. **Depreciation**
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.
The estimated useful lives for the current comparative periods are as follows:

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

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

**(d) Lease payments**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.
A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of

leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

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

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

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

**(e) Investments and other financial assets**

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

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

Available-for-sale financial assets

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

Impairment of financial assets

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

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

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

**(f) Impairment of non-financial assets**

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

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

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

**(g) Inventories**

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

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

**(h) Cash and cash equivalents**

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

**(i) Employee benefits**

Wages and salaries and annual leave

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

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds (2014: national government bonds) with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(j) Provisions**

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

**(k) Loans and other financial liabilities**

Loans

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

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

Trade and other payables

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

**(l) Income tax**

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

**(m) 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.

**(n) Comparative figures**

Where necessary, the comparative information has been reclassified to achieve consistency with the current financial year disclosures.

**(o) Changes in categorisation of revenue and expenses**

The categorisation of revenue and expenses in 2015 and 2014 reflects the Make-A-Wish International conventions for reporting.

## 4. Revenue

| | 2015 $ | 2014 $ |
|---|---|---|
| Public support | | |
| Consumer fundraising | 8,990,844 | 7,839,287 |
| Corporate fundraising | 3,896,505 | 3,331,723 |
| Bequest distributions | 492,067 | 640,154 |
| Goods and services in kind | 918,673 | 1,104,028 |
| Merchandise sales | 187,303 | 188,073 |
| | 14,485,392 | 13,103,265 |
| Special events | | |
| Event fundraising | 3,211,405 | 3,181,866 |
| Less cost of direct benefit to donors* | (662,061) | (934,609) |
| | 17,034,736 | 15,350,522 |

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

## 5. Other income

| | 2015 $ | 2014 $ |
|---|---|---|
| International Wish Service Fee | 44,424 | 37,552 |
| Interest income | 116,652 | 101,142 |
| | 161,076 | 138,694 |

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

| | 2015 $ | 2014 $ |
|---|---|---|
| *Finance income* | | |
| Interest income on investments | 91,641 | 88,788 |
| Interest income on bank deposits | 25,011 | 12,354 |
| Dividend income | - | - |
| | 116,652 | 101,142 |
| *Finance expense* | | |
| Finance costs | (3) | (54) |
| Net finance costs recognised in profit or loss | 116,649 | 101,088 |

## 7. Property, plant and equipment

| | Fixtures and fittings $ | IT hardware and software $ | Assets held for sale $ | Total $ |
|---|---|---|---|---|
| Balance at 1 January 2015 | 174,877 | 65,630 | 1,334,630 | 1,575,136 |
| Additions | 36,110 | 495,300 | - | 531,411 |
| Disposals | (32,226) | - | (1,333,299) | (1,365,526) |
| Depreciation for the year | (39,656) | (32,615) | (1,330) | (73,601) |
| Transferred | - | - | - | - |
| Balance at 31 December 2015 | 139,105 | 528,315 | - | 667,420 |
| Carrying amount at 31 December 2015 | 139,105 | 528,315 | - | 667,420 |

## 8. Assets held for sale

| | 2015 $ | 2014 $ |
|---|---|---|
| Asset classified as held for sale | - | 1,334,630 |
| | - | 1,334,630 |

During the year ended December 31st 2015, settlement of the land and building sold in 2014 occurred. Assets held for sale are recognised at its net book value.

## 9. Leases

### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

| | 2015 $ | 2014 $ |
|---|---|---|
| Less than one year | 372,483 | 335,067 |
| Between one and five years | 653,425 | 863,649 |
| More than five years | - | - |
| | 1,025,908 | 1,198,716 |

During the year ended December 31st 2015 $362,399 was recognised as an expense in profit or loss in respect of operating leases (2014: $106,565) for the lease of property. The leases related to rented offices in Victoria, Queensland, NSW and Western Australia and photocopier leases.

**10. Other financial assets**

| | 2015<br>$ | 2014<br>$ |
|---|---|---|
| **Current investments** | | |
| Held-to-maturity investments - accrued interest | 19,181 | 9,956 |
| Held-to-maturity investments | 1,007,600 | 2,856,481 |
| Held-to-maturity security deposits | 13,587 | 13,587 |
| Available-for-sale financial assets | 2,993,948 | - |
| | 4,034,316 | 2,880,023 |

Held-to-maturity investments have interest rates of 2.96% (2014: 3.05%) and mature in 2016.

**11. Trade and other receivables**

| | 2015<br>$ | 2014<br>$ |
|---|---|---|
| Trade Receivables | 504,543 | 289,653 |
| Allowance for Doubtful Debts | (7,829) | (27,000) |
| | 496,714 | 262,653 |
| | | |
| Other Receivables | 36,422 | 160,585 |
| GST Receivables | 109,481 | 96,866 |
| Make-A-Wish Affiliate Debtors | 41,937 | 21,515 |
| Accrued Revenue | 453,700 | 241,965 |
| | 1,138,254 | 785,585 |

**12. Cash and cash equivalents**

| | 2015<br>$ | 2014<br>$ |
|---|---|---|
| Opening Balance for the year | 1,154,185 | 620,951 |
| Surplus / (Deficit) for the year | 331,294 | 533,234 |
| Closing Balance for the year | 1,485,479 | 1,485,185 |

### 13. Accumulated funds

| | 2015 $ | 2014 $ |
|---|---|---|
| Opening Balance for the year | 5,183,071 | 4,138,987 |
| Surplus / (Deficit) for the year | 1,382,186 | 1,044,084 |
| Closing Balance for the year | 6,565,257 | 5,183,071 |

### 14. Expenses recognised in profit or loss

| | *Note* | 2015 $ | 2014 $ |
|---|---|---|---|
| Depreciation | *7* | 73,601 | 103,255 |
| Loss on sale of investments | | - | - |
| Operating leases | | 362,399 | 106,565 |
| Write off of merchandise | | - | - |
| Goods and services in kind | | | |
| Wish Services | | 950,401 | 883,613 |
| Management and General | | 20,145 | 31,024 |

### 15. Personnel expenses recognised in net profit and loss

| | 2015 $ | 2014 $ |
|---|---|---|
| Wages and salaries | 4,760,411 | 4,165,030 |
| Other associated personnel expenses | 60,982 | (3,489) |
| Contributions to defined superannuation contribution plans | 463,955 | 377,775 |
| Increase in liability for employee provisions | 49,061 | 69,741 |
| | 5,334,409 | 4,609,057 |

### 16. Employee benefits

| | 2015 $ | 2014 $ |
|---|---|---|
| Liability for annual leave and flexible leave | 271,635 | 218,425 |
| Liability for long service leave | 86,436 | 90,585 |
| Total employee benefit liabilities | 358,071 | 309,010 |
| | | |
| Current | 300,333 | 266,216 |
| Non-current | 57,738 | 42,794 |
| Total employee benefit liabilities | 358,071 | 309,010 |

**17. Trade and other payables**

| | 2015 $ | 2014 $ |
|---|---|---|
| Trade payables | 321,393 | 659,832 |
| GST Payable | 31,594 | 27,160 |
| Other payables and accrued expenses | 428,629 | 324,811 |
| | 781,616 | 1,011,803 |

**18. Unearned revenue**

| | 2015 $ | 2014 $ |
|---|---|---|
| Balance at 1 January | 249,200 | - |
| Deposit for sale of Building received during the period | - | 249,200 |
| Income recognised during the period | (249,200) | - |
| Income reversed during the period | - | - |
| Balance at 31 December | - | 249,200 |
| Current | - | 249,200 |
| Non-Current | - | - |
| | - | 249,200 |

**19. Other financial liabilities**

The company procured a short term facility loan to assist with cash flow. To enable the facility to remain open a drawdown of $500 was necessary.

| | 2015 $ | 2014 $ |
|---|---|---|
| Variable rate loan | 500 | 500 |

**20. Wish related commitments**

| | 2015 $ | 2014 $ |
|---|---|---|
| **Wish related commitments** | | |
| Approved but not yet provided for and payable | 1,966,113 | 1,991,414 |
| | 1,966,113 | 1,991,414 |

As at December 31st 2015, 305 (2014: 285) wishes had been approved by the Board of Directors, but not yet granted.
No liability has been recorded for this cost to be incurred in the 2016 financial year.

## 21. Related party transactions

### Key management personnel compensation

Total key management personnel compensation:

| | 2015 $ | 2014 $ |
|---|---|---|
| | 1,172,883 | 1,102,256 |

### Transactions with key management personnel

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

| | | |
|---|---|---|
| Gerard Menses | Craig Watt | Sarah Downie |
| Rachael Stewart | Carla Blatt | Alexandra Struthers |

### Individual directors' and executives' compensation disclosures

There have been no forms of compensation provided or material contracts entered into by the directors of the Company in relation to their services rendered to the Company during the financial year ended December 31st 2015. This is consistent with the 2014 financial year. The directors who held office during the financial year are:

| | | |
|---|---|---|
| David Briskin | Cath Mulcare | Ian Shaw |
| Dearne Cameron | Christine Mossop | Ed Smith |
| Gerard Menses | Russell Evans | Melinda Geertz |
| Stephen Sharp | | |

### Loans to key management personnel and their related parties

There have been no loans entered into with key management personnel and their related parties during the 2015 financial year. This is consistent with the 2014 financial year.

### Key management personnel and director transactions

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

**22. Contingent liabilities**

The Company has no contingent liabilities as at December 31st 2015 (2014: nil).

**23. Limitation of liability**

The liability of the members of the Company is limited. In the event of a winding up, the maximum liability of each of the members would be $20. At December 31st 2015 there were 55 members (2014: 61).

**24. Post-reporting date events**

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

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

**Directors' Declaration**

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

(a) The financial statements and notes, set out on pages 7 to 25, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:

  (i) Giving a true and fair view of the Company's financial position as at 31 December 2015 and of their performance, for the financial year ended on that date; and

  (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Regulation 2013;

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

| | |
|---|---|
| ............................................ | ............................................ |
| David Briskin | Cath Mulcare |
| Chairperson | Treasurer |

Dated at: Richmond, Victoria this 27th day of May 2016.

Grant Thornton

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## Independent Auditor's Report
## To the Members of Make-A-Wish Foundation of Australia Ltd

We have audited the accompanying financial report of Make-A-Wish Foundation of Australia Ltd (the "Company"), which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

### Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

**Auditor's opinion**

In our opinion, the financial report of Make-A-Wish Foundation of Australia Ltd:

a is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the year ended on that; and

b complies with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Regulation 2013.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 27 May 2016