Fighting Chance Australia Limited

ABN 85 140 018 702

Financial Statements for the year ended 30 September 2016

Contents

Corporate information

Your Directors present their report on Fighting Chance Australia Limited (the "Company") for the year ended 30 September 2016.

Directors

The names of the Directors in office at any time during or since the end of the financial year are:

Laura O'Reilly
Nicola Ashton
Tim Powell
Jordan O'Reilly
Robert Buckingham

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Company Secretary

Laura O'Reilly

Charity street address and principal place of business

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Auditor's Independence Declaration
To the Directors of Fighting Chance Australia Limited

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 Fighting Chance Australia Limited for the year ended 30 September 2016, 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

P J Woodley
Partner - Audit & Assurance

Sydney, 5 April 2017

Statement of profit or loss and other comprehensive income

For the year ended 30 September 2016

	Note	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Revenue			
Donations received		221,691	156,136
Grants		278,670	157,728
Functions		84,058	534,221
Care funding		818,458	375,177
Business Income		344,514	139,541
Other income	4	8,777	3,538
		1,756,168	1,366,341
Cost of goods sold		(18,762)	(25,072)
Gross profit		**1,737,406**	**1,341,269**
Expenses			
Administration expenses		(176,768)	(37,151)
Function expenses		(49,518)	(109,996)
Marketing expenses		(23,179)	(14,196)
Project expenses	5	(1,468,685)	(1,040,325)
		(1,718,150)	(1,201,668)
Surplus for the year		**19,256**	**139,601**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**19,256**	**139,601**

Statement of financial position

As at 30 September 2016

	Note	As at 30 September 2016	As at 30 September 2015 $
Current assets			
Cash and cash equivalents	7	302,230	319,024
Trade and other receivables	8	293,848	185,417
Inventory	9	17,477	15,073
Total current assets		613,555	519,514
Non-current assets			
Plant and equipment	10	259,993	241,506
Total non-current assets		259,993	241,506
Total assets		873,548	761,020
Current liabilities			
Trade and other payables	11	257,430	186,021
Employee benefits	12	29,717	7,854
Total current liabilities		287,147	193,875
Total liabilities		287,147	193,875
Net assets		586,401	567,145
Equity			
Retained earnings		586,401	567,145
Total equity		586,401	567,145

Statement of changes in equity

For the year ended 30 September 2016

	Retained earnings $	Total equity $
Total equity at 30 September 2014	427,544	427,544
Total comprehensive income for the period	139,601	139,601
Total equity at 30 September 2015	567,145	567,145
Total comprehensive income for the period	19,256	19,256
Total equity at 30 September 2016	586,401	586,401

Statement of cash flows

For the year ended 30 September 2016

	Note	Year ended 30 September 2016	Year ended 30 September 2015
Cash flows from operating activities			
Donations and grant revenues received		1,640,447	1,281,362
Payments to suppliers and employees		(1,589,877)	(1,084,843)
Interest income received		7,286	3,538
Net cash provided by operating activities	13	57,783	200,057
Cash flows from investing activities			
Purchase of plant and equipment		(74,650)	(170,851)
Net cash used in investing activities		(74,650)	(170,851)
Net change in cash and cash equivalents held		(16,794)	29,206
Cash and cash equivalents at beginning of period		319,024	289,818
Cash and cash equivalents at end of period	7	302,230	319,024

Notes to the financial statements

For the year ended 30 September 2016

1 General information and statement of compliance

Fighting Chance Australia Limited (the "Company") has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

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 Act 2012.

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Fighting Chance Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs. A statement of compliance with International Financial Reporting Standards cannot be made due to the Company applying the not-for-profit sector specific requirements contained in the Australian Accounting Standards.

The financial statements for the year ended 30 September 2016 were approved and authorised for issue by the Board of Directors on 5 April 2017.

2 Basis of preparation

(a) Basis of measurement

The financial statements have been prepared on an accruals basis and are based on historical costs.

(b) Functional and presentation currency

These 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 conformity 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 and in any future periods affected.

Key judgments – Employee benefits

Management judgment is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- Future increases in wages and salaries
- Future on-cost rates and
- Experience of employee departures and period of service.

Management have determined that no long-service leave provision in required given it is currently not probable for any employee to reach ten years service. This will continue to be revised in future years.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

(a) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Financial instruments

(i) Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company 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 Company 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 Company 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 Company has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

(c) Plant and equipment

(i) Recognition and measurement

Donated items of plant and equipment are recognised at the fair value of the item at the date of donation, less accumulated depreciation and accumulated impairment losses.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gains and losses on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Depreciation

Items of plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Items of plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of significant items of plant and equipment are as follows:

Plant and equipment: 3-20 years

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

(d) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

When the future economic benefits of the asset are not primarily dependant on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

(e) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee 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 if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(f) 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.

(g) Revenue

(i) Donations

Revenue from donations is recognised on a cash basis.

(ii) Grants

An unconditional grant is recognised in profit or loss as other income when the grant becomes receivable. Other grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant, and are then recognised in profit or loss on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

All revenue is stated net of the amount of goods and services tax (GST).

(iii) Functions

Revenue from functions is recognised on a cash basis when received.

(h) Finance income

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Inventory

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4 Revenue

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Other income		
- Interest income	8,777	3,538
Total other income	8,777	3,538

5 Project expenses

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Project expenses include the following types of expenses:		
(a) Depreciation		
Depreciation expense	56,163	31,753
(b) Employee benefits expenses		
Wages and salaries	1,114,065	710,318
Superannuation	90,878	66,030
Increase in annual leave provisions	21,863	6,179
Total employee benefits expenses	1,226,806	782,527

6 Auditors' remuneration

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Remuneration of the auditor of the Company for:		
- auditing the financial report	12,500	-
Total auditor's remuneration	12,500	-

7 Cash and cash equivalents

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Petty cash	2,110	870
Cash at bank	139,577	165,493
Term deposit	160,543	152,662
Total cash and cash equivalents	302,230	319,025

8 Trade and other receivables

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Trade debtors	171,385	98,984
Deposits paid	5,488	-
GST refundable	88,890	73,461
Prepayments	28,086	12,972
Total trade and other receivables	293,848	185,417

9 Inventory

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Inventory		
Stock on hand	17,477	15,073
Total Inventory	17,477	15,073

10 Plant and equipment

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Plant and equipment:		
At cost	364,353	289,702
Accumulated depreciation	(104,360)	(48,196)
Total plant and equipment	259,993	241,506

Reconciliation of movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are as follows:

	Total $
Balance at 30 September 2014	102,408
Additions	170,851
Depreciation expense	(31,753)
Balance at 30 September 2015	241,506
Additions	74,650
Depreciation expense	(56,163)
Balance at 30 September 2016	259,993

11 Trade and other payables

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Trade creditors	39,357	51,687
Payroll accruals	192,741	60,889
GST payable	25,332	74,427
Other current liabilities	-	(982)
Total trade and other payables	257,430	186,021

12 Employee benefits

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Provision for annual leave	29,717	7,854
Total short-term provisions	29,717	7,854

	Total $
Reconciliation	
Opening balance at 30 September 2014	6,056
Additional provision raised during the period	1,798
Balance at 30 September 2015	7,854
Additional provision raised during the period	21,863
Balance at 30 September 2016	29,717

Defined contribution plans

The Company has paid or has payable, contributions of $106,844 to defined contributions plans on behalf of employees for the period ended 30 September 2016 (2015: $66,030).

13 Cash flow information

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
(a) Reconciliation of cash flow from operating activities with surplus:		
Operating surplus	19,256	139,601
Non-cash flows in surplus:		
- Depreciation	56,163	31,753
Changes in assets and liabilities		
- (Increase) in receivables	(108,431)	(81,442)
- (Increase) in inventories	(2,404)	(6,356)
- Increase in payables	71,409	122,556
- Increase/(Decrease) in employee benefits provisions	21,863	(6,055)
Cash flow from operating activities	57,856	200,057

14 Events after the balance sheet date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

15 Contingent assets and contingent liabilities

There are security deposit guarantees of $67,052 (2015: $67,052) held at year end. The Company had no other contingent assets or liabilities at balance date.

16 Related party transactions

The Company's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

16.1 Transactions with related entities

A loan was held with one of the Directors of $5,000 and was fully repaid during the financial year. There is no other amounts payable to or receivable from Directors or Director-related entities as at the reporting date.

16.2 Key management personnel compensation

The key management personnel compensation included within employee expenses is:

	Short-term benefits $	Bonus $	Post employment benefit $	Other long-term benefits $	Total $
Year ended 30 September 2016					
Total compensation	95,000	-	9,025	-	104,025
Year ended 30 September 2015					
Total compensation	116,635	-	11,080	-	127,715

17 Operating lease commitments

	Year ended 30 September 2016 $	Year ended 30 September 2015 $
Less than 12 months	128,830	128,265
More than 12 months less than 5 years	182,509	317,057
Greater than 5 years	-	-
Total	311,339	445,322

As at year end, there is a security deposit guarantee of $67,052 held with CBA (2015: $67,052). There are no other contingent assets or liabilities at balance date.

18 Members guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the company.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 15, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) giving a true and fair view of the financial position as at 30 September 2016 and of the performance for the year ended on that date of the Company; and

   (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors (Responsible Entities).

Laura O'Reilly
Director

Dated this 5 April 2017

Grant Thornton

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Independent Auditor's Report
To the Members of Fighting Chance Australia Limited

We have audited the accompanying financial report of Fighting Chance Australia Limited (the "Company"), which comprises the statement of financial position as at 30 September 2016, and 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 Director's declaration.

Director's 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 which 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 Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion:

a the financial report of Fighting Chance Australia Limited is 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 30 September 2016 and of its performance for the year ended on that date; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P J Woodley
Partner – Audit & Assurance

Sydney, 5 April 2017