

Fighting Chance Australia Limited

ABN 85 140 018 702

Financial statements for the year ended 30 September 2017

Contents

	Page
Corporate information	1
Auditor's independence declaration	2
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in funds	5
Statement of cash flows	6
Notes to the financial statements	7
Responsible entities' declaration	16
Charitable fundraising declaration	17
Independent auditor's report	18

Corporate Information

The Directors (Responsible Entities) present their report on Fighting Chance Australia Limited (the “Company”) for the year ended 30 September 2017.

Directors

The following Responsible Entities were in office at the date of this report.

Laura O’Reilly
Tim Powell
Jordan O’Reilly
Robert Buckingham

Company Secretary

Laura O’Reilly

Charity street address and principal place of business

Building B, 5 Skyline Place
Frenchs Forest NSW 2086

Auditors

Grant Thornton Audit Pty Ltd

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400

F +61 2 9299 4445

E info.nsw@au.gt.com

W www.grantthornton.com.au

Auditor's Independence Declaration To the Responsible Entities 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 2017, I declare that, to the best of my knowledge and belief, there have been 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 February 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of profit or loss and other comprehensive income

For the year ended 30 September 2017

	Note	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Revenue			
Service revenue		1,710,456	818,458
Fundraising revenue		481,657	305,749
Grants revenue		562,392	278,670
Business revenue		582,972	344,514
Other revenue	4	9,798	8,777
		<u>3,347,275</u>	<u>1,756,168</u>
Cost of goods sold		(43,665)	(18,762)
Gross profit		<u>3,303,610</u>	<u>1,737,406</u>
Expenses			
Service delivery expenses	5	(2,266,979)	(1,468,685)
Fundraising expenses		(105,542)	(72,697)
Administration expenses		(591,004)	(176,768)
		<u>(2,963,525)</u>	<u>(1,718,150)</u>
Surplus for the year		<u>340,085</u>	<u>19,256</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>340,085</u>	<u>19,256</u>

Statement of financial position

As at 30 September 2017

	Note	As at 30 September 2017 \$	As at 30 September 2016 \$
Current assets			
Cash and cash equivalents	7	688,411	302,230
Trade and other receivables	8	295,801	293,848
Inventory	9	3,598	17,477
Total current assets		<u>987,810</u>	<u>613,555</u>
Non-current assets			
Property, plant and equipment	10	<u>407,809</u>	<u>259,993</u>
Total non-current assets		<u>407,809</u>	<u>259,993</u>
Total assets		<u>1,395,619</u>	<u>873,548</u>
Current liabilities			
Trade and other payables	11	382,421	257,430
Employee benefits	12	<u>86,712</u>	<u>29,717</u>
Total current liabilities		<u>469,133</u>	<u>287,147</u>
Total liabilities		469,133	287,147
Net assets		<u>926,486</u>	<u>586,401</u>
Equity			
Retained earnings		<u>926,486</u>	<u>586,401</u>
Total equity		<u>926,486</u>	<u>586,401</u>

Statement of changes in funds

For the year ended 30 September 2017

	Retained earnings \$	Total equity \$
Balance at 30 September 2015	567,145	567,145
Total comprehensive income for the period	<u>19,256</u>	<u>19,256</u>
Balance at 30 September 2016	<u>586,401</u>	<u>586,401</u>
Total comprehensive income for the period	<u>340,085</u>	<u>340,085</u>
Balance at 30 September 2017	<u>926,486</u>	<u>926,486</u>

Statement of cash flows

For the year ended 30 September 2017

	Note	Year ended 30 September 2017	Year ended 30 September 2016
Cash flows from operating activities			
Income received from donations, fundraising, grants and services		3,335,524	1,640,447
Payments to suppliers and employees		(2,752,882)	(1,589,877)
Interest income received		9,798	7,286
Net cash provided by operating activities	13	<u>592,440</u>	<u>57,856</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(206,259)	(74,650)
Net cash used in investing activities		<u>(206,259)</u>	<u>(74,650)</u>
Net change in cash and cash equivalents held		<u>386,181</u>	<u>(16,794)</u>
Cash and cash equivalents at beginning of period		<u>302,230</u>	<u>319,024</u>
Cash and cash equivalents at end of period	7	<u><u>688,411</u></u>	<u><u>302,230</u></u>

Notes to the financial statements

For the year ended 30 September 2017

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 Australian Accounting Standards Board (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 for the year ended 30 September 2017 were approved and authorised for issue by the Board of Directors on 5th February 2018.

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 is 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) Property, plant and equipment

(i) Recognition and measurement

Donated items of property, 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 property, 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.

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

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

Plant and equipment: 3-20 years
Leasehold improvements: life of lease

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(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) Fundraising

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

(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) Services

Fees charged for care or services provided to clients are recognised when the service is provided.

(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 2017 \$	Year ended 30 September 2016 \$
Other revenue		
- Interest income	9,798	8,777
Total other revenue	<u>9,798</u>	<u>8,777</u>

5 Service delivery expenses

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Service delivery expenses include the following types of expenses:		
(a) Depreciation		
Depreciation expense	<u>58,443</u>	<u>56,163</u>
(b) Employee benefits expenses		
Wages and salaries	1,934,637	1,114,065
Superannuation	181,274	90,878
Increase in annual leave provisions	<u>56,995</u>	<u>21,863</u>
Total employee benefits expense	<u>2,172,906</u>	<u>1,226,806</u>

6 Auditors' remuneration

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Remuneration of the auditor of the Company for:		
- auditing the financial report	<u>15,000</u>	<u>12,500</u>
Total auditors' remuneration	<u>15,000</u>	<u>12,500</u>

7 Cash and cash equivalents

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Petty cash	3,375	2,110
Cash at bank	464,577	139,577
Term deposit	<u>220,459</u>	<u>160,543</u>
Total cash and cash equivalents	<u>688,411</u>	<u>302,230</u>

8 Trade and other receivables

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Trade debtors	245,884	171,385
Deposits paid	-	5,487
GST refundable	-	88,890
Prepayments	49,917	28,086
	<u>295,801</u>	<u>293,848</u>
Total trade and other receivables	<u>295,801</u>	<u>293,848</u>

9 Inventory

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Stock on hand	3,598	17,477
Total Inventory	<u>3,598</u>	<u>17,477</u>

10 Property, plant and equipment

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Plant and equipment		
At cost	256,245	160,371
Accumulated depreciation	(93,829)	(54,596)
Total plant and equipment	<u>162,416</u>	<u>105,775</u>
Leasehold improvements		
At cost	314,367	203,982
Accumulated depreciation	(68,974)	(49,764)
Total leasehold improvements	<u>245,393</u>	<u>154,218</u>
Total property, plant and equipment	<u>407,809</u>	<u>259,993</u>

Reconciliation of movements in carrying amounts	Total Leasehold Improvements \$	Total Plant & equipment \$
--	--	---

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

Balance at 30 September 2015	109,285	132,221
Additions	70,388	4,262
Depreciation expense	(25,455)	(30,708)
Balance at 30 September 2016	<u>154,218</u>	<u>105,775</u>
Additions	110,385	95,874
Depreciation expense	(39,233)	(19,210)
Net movement from reclassification of assets	20,023	(20,023)
Balance at 30 September 2017	<u>245,393</u>	<u>162,416</u>

11 Trade and other payables

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Trade creditors	92,720	39,357
Payroll accruals	211,330	192,741
GST payable	4,414	-
Deferred income and other liabilities	73,957	25,332
	<u>382,421</u>	<u>257,430</u>
Total trade and other payables	<u>382,421</u>	<u>257,430</u>

12 Employee benefits

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Provision for annual leave	86,712	29,717
Total employee benefits	<u>86,712</u>	<u>29,717</u>

Defined contribution plans

The Company has paid or has payable, contributions of \$169,255 to defined contributions plans on behalf of employees for the year ended 30 September 2017 (2016: \$106,844).

13 Cash flow information

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
(a) Reconciliation of cash flow from operating activities with surplus:	340,085	19,256
Non-cash flows in surplus:		
- Depreciation	58,443	56,163
Changes in assets and liabilities		
- Increase in receivables	(1,953)	(108,431)
- Decrease/(Increase) in inventories	13,879	(2,404)
- Increase in payables	124,991	71,409
- Increase in employee benefits	56,995	21,863
Cash flow from operating activities	<u>592,440</u>	<u>57,856</u>

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

As at year end, the Company has security deposit guarantees amounting to \$218,946 held with the Commonwealth bank of Australia.

The Company has 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. Key management personnel ("KMP") are those persons having authority and responsibility for planning, directing and controlling the activities of the Company including the Board of Directors, Chief Executive Officer and Chief Operating Officer. The Directors act in an honorary capacity and receive no paid remuneration for their services. The Directors receive reimbursement for travel costs and other incidental expenses and may provide personal donations to the Company.

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 Key management personnel compensation

The key management personnel compensation included within employee expenses is:

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Total key management personnel remuneration	<u>195,252</u>	<u>104,025</u>

17 Operating lease commitments

	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
Less than 12 months	420,113	128,265
More than 12 months and less than 5 years	1,171,157	187,844
Greater than 5 years	865,543	-
Total operating lease commitments	<u>2,456,813</u>	<u>316,109</u>

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.

19 Charitable fundraising and donations disclosures

Statement of Income and Expenditure of Fundraising Appeals:	Year ended 30 September 2017 \$	Year ended 30 September 2016 \$
General donations	117,346	115,747
Fundraising events	364,311	55,945
Corporate and other non-government grants received	562,392	332,084
Less allocation of fundraising funds:		
Direct costs of fundraising appeals	(105,542)	(113,267)
Net surplus obtained from fundraising appeals	<u>938,507</u>	<u>390,509</u>

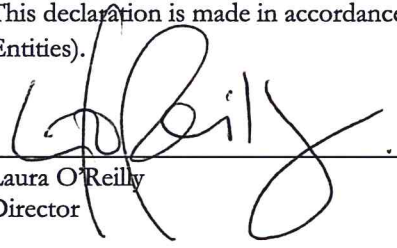
Funds received for specific purposes or programs are applied in accordance with the intention of the donation or grant.

Responsible Entities' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 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 2017 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

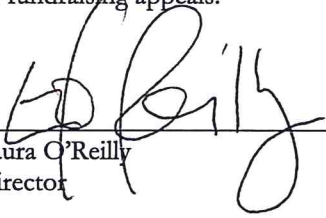
Dated this 5th February 2018

Charitable Fundraising Declaration

Declaration by the Principal Officer of Fighting Chance Australia Limited

I, Laura O'Reilly, Executive Officer of Fighting Chance Australia Limited declare that in my opinion:

1. The Statement of Profit or Loss and Other Comprehensive Income of Fighting Chance Australia Limited for the year ended 30 September 2017 gives a true and fair view of all income and expenditure of the entity with respect to fundraising appeals;
2. The Statement of Financial Position of Fighting Chance Australia Limited as at 30 September 2017 gives a true and fair view of the state of affairs of the entity with respect to fundraising appeals conducted by the organisation;
3. The provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under this Act and the conditions attached to the authority have been complied with by the organisation; and
4. The internal controls exercised by Fighting Chance Australia Limited are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.



Laura O'Reilly
Director

Dated this 5th February 2018

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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

Report on the audit of the financial report

Auditor's Opinion

We have audited the financial report of Fighting Chance Australia Limited (the "registered entity"), which comprises the statement of financial position as at 30 September 2017, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Responsible Entities' declaration.

In our opinion:

1. the financial report of Fighting Chance Australia Limited has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:
 - a. giving a true and fair view of the registered entity's financial position as at 30 September 2017 and of its financial performance for the year then ended; and
 - b. complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013;
2. the financial report of Fighting Chance Australia Limited shows a true and fair view of the financial result of fundraising appeals for the year;
3. the financial report and associated records of Fighting Chance Australia Limited have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015;
4. money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015; and
5. there are reasonable grounds to believe that Fighting Chance Australia Limited will be able to pay its debts as and when they fall due.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 September 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The Responsible Entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act, the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2015, and for such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



P J Woodley
Partner - Audit & Assurance

Sydney, 5 February 2018