

Fighting Chance Australia Limited

ABN 85 140 018 702

Financial Statements for the 14 months ended 30 November 2010

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Directors' report

Your directors present their report on the Company for the 14 month period ended 30 November 2010.

The company was incorporated on 15 October 2009. Accordingly, the period reflected in this report represents the 14 month trading period from 15 October 2009 to 30 November 2010.

Directors

The names of the directors in office at any time during or since the end of the period are:

Sue O'Reilly (Appointed 15 October 2009)
Dominic Corrigan (Resigned 21 December 2010)
Rob Nelson (Resigned 21 December 2010)
Laura O'Reilly (Appointed 21 December 2010)
Jordan O'Reilly (Appointed 21 December 2010)

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

Information on Company Secretary

Sue O'Reilly held the position of Company Secretary for the entire period.

Results

The surplus of the Company for the period amounted to \$92,513.

Principal activities

The principal activity of the company is fundraising for services for people with physical disabilities.

No significant change in the nature of these activities occurred during the period.

Review of operations

Fighting Chance operates as a charity which receives donations, both through hosting events and from private donors, and provides services for people with disabilities. Its future objective is to run a not for profit business which is staffed entirely by people with physical disabilities.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the period.

After balance date events

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.

Future development, prospects and business strategies

The company expects to continue its principal activity, maintaining or gradually expanding the number and range of programs it provides.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Options

The Company does not have share capital as it is a company limited by guarantee.

Dividends Paid, Recommended and Declared

The company is limited by guarantee and is prevented by its constitution from paying dividends.

Information on Directors

Name	Sue O'Reilly
Qualifications	BA (Hons)
Experience	Extensive experience working in the disability sector. As a journalist has advocated for the betterment of services for disabled people.
Name	Laura O'Reilly
Qualifications	BA (Hons) Cantab
Experience	Experience with running not for profits, experience in events and fundraising.
Name	Jordan O'Reilly
Qualifications	-
Experience	As a student of Occupational Therapy, Jordan's relevant experience is in the field of the management of environments for people with disabilities.

Directors Meetings Attendance

Directors	21 Jan 2011	21 Feb 2011	21 March 2011
Sue O'Reilly	*	*	*
Laura O'Reilly	*	*	*
Jordan O'Reilly	*	*	*

Key: * = Attended and A = Absent. This is applied to all meetings which the director was eligible to attend.

Indemnifying officers or auditor

During the period the company had no insurance covering directors, the company secretary or the auditor.

Proceedings on behalf of Company

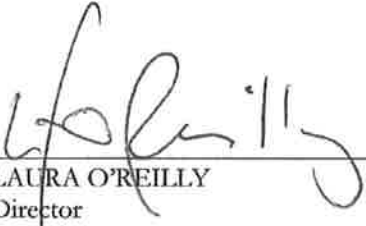
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of this directors' report.

Signed in accordance with a resolution of the Board of Directors:



LAURA O'REILLY
Director

Dated this 24th day of November 2011

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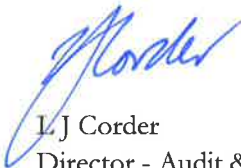
**Auditor's Independence Declaration
To The Directors of Fighting Chance Australia Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Fighting Chance Australia Limited for the 14 month period ended 30 November 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L. J. Corder
Director - Audit & Assurance

Sydney, 24 November 2011

Statement of comprehensive income

For the 14 months ended 30 November 2010

	Note	14 months ended 30 November 2010 \$
Donations received		156,041
Function income		210,384
Other income	2	<u>1,394</u>
		367,819
Advertising		2,547
Bank charges		1,683
Donations		132,000
Function expenses		106,554
General expenses		3,459
Insurance		320
Legal fees		6,079
Printing and stationery		1,361
Therapy expenses		21,300
Other expenses	3	<u>3</u>
		275,306
Surplus for the period		<u>92,513</u>
Other comprehensive income for the period, net of income tax		<u>-</u>
Total comprehensive income for the period		<u>92,513</u>

These financial statements should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 November 2010

	Note	2010
		\$
Current assets		
Cash and cash equivalents	6	<u>92,513</u>
Total current assets		<u>92,513</u>
Total assets		<u>92,513</u>
Current liabilities		
Total current liabilities		<u>-</u>
Total liabilities		<u>-</u>
Net assets		<u>92,513</u>
Equity		
Retained earnings		<u>92,513</u>
Total equity		<u>92,513</u>

These financial statements should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the 14 months ended 30 November 2010

	Retained Earnings \$	Total Equity \$
Total equity at 15 October 2009	-	-
Total comprehensive income for the period	<u>92,513</u>	<u>92,513</u>
Total equity at 30 November 2010	<u>92,513</u>	<u>92,513</u>

These financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows

For the 14 months ended 30 November 2010

	Note	14 months ended 30 November 2010 \$
Cash flows from operating activities		
Donations		156,041
Function income		210,384
Interest income received		1,394
Payments to suppliers and employees		(275,303)
Interest paid		(3)
		<hr/>
Net cash provided by operating activities	7	92,513
		<hr/>
Net change in cash and cash equivalents held		92,513
		<hr/>
Cash and cash equivalents at beginning of period		-
		<hr/>
Cash and cash equivalents at end of period	6	92,513
		<hr/>

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the 14 months ended 30 November 2010

1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The company was incorporated on 15 October 2009. Accordingly, the period reflected in this report represents the 14 month trading period from 15 October 2009 to 30 November 2010.

Fighting Chance Australia Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the directors on 24 November 2011.

Basis of preparation

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

Significant accounting policies

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

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through surplus or loss. Transaction costs related to instrument classified as at fair value through surplus or loss are expensed to surplus or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate

that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in surplus or loss.

c. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d. Revenue

Revenue from donations is recognised on a cash basis.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

e. 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.

2 Revenue

	Note	2010 \$
Operating activities		
- donations		156,041
- function income		210,384
- interest	2a	<u>1,394</u>
Total revenue		<u><u>367,819</u></u>
a. Interest revenue from		
- cash at bank		97
- bank deposits		<u>1,297</u>
Total interest revenue		<u><u>1,394</u></u>

3 Surplus for the period

The surplus for the period has been determined after:

a. Expenses	
Interest expense	<u>3</u>

4 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 \$
2010	-	-	-	-	-
Total compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5 Auditors' Remuneration

The audit is being performed on a pro-bono basis.

6 Cash and Cash Equivalents

Cash at bank	33,197
Cash on deposit	<u>59,316</u>
	<u><u>92,513</u></u>

7 Cash Flow Information

a. Reconciliation of Cash Flow from Operations with Surplus after Income Tax

Surplus after income tax	<u>92,513</u>
Cash flows from operations	<u><u>92,513</u></u>

8 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.

9 Financial Instrument Risk Management

The company's financial instruments comprise cash and cash equivalents. The main risk arising from the company's financial instruments is interest rate risk. The company's financial instruments are all Australian dollar denominated and no derivatives are used to manage risks associated with its financial instruments.

The company's financial risks are not complex and are managed by the board, on a basis designed to ensure that the company has sufficient cash flows, primarily from donations, to enable it to provide its planned programs and services. Assets are invested conservatively providing low exposure to liquidity, credit and market risk.

Fighting Chance Australia Limited does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Specific information regarding the mitigation of each financial risk to which Fighting Chance Australia Limited is exposed is provided below.

Market risk

Market price risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The nature of the company's financial assets and liabilities is such that its exposure to market price risk is essentially only through interest rate risk.

Cash flow interest rate sensitivity

At 30 November 2010, Fighting Chance Australia Limited is exposed to changes in market interest rates through its cash and cash equivalents, which are subject to variable interest rates.

The following table illustrates the sensitivity of the net result for the period and equity to a reasonably possible change in interest rates of +1% and -1%, with effect from the beginning of the period. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on Fighting Chance Australia Limited's financial instruments held at each reporting period date. All other variables are held constant.

	Weighted average interest rate %	2010 \$ +1%	2010 \$ -1%
Cash and cash equivalents	3.17		
Net surplus		925	-925
Equity		925	-925

Credit risk analysis

Credit risk is the risk of loss from a counter-party failing to meet its financial obligations to the company.

Liquidity risk analysis

Liquidity risk is the risk that the company will not be able to fund its obligations as they fall due. The company does not have any ongoing liabilities or obligations, hence liquidity risk is regarded as minimal.

Fair value estimation

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in the balance sheet and notes to the financial statements.

10 Members' Guarantee - update as per constitution

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.

11 Company Details

The registered office of the Company is:


3b Newton Parade
Forestville NSW 2087

Directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 13, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 November 2010 and of the performance for the period ended on that date of the Company; and
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.



Laura O'Reilly
Director

Dated this 24th day of November 2011

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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 ("Company"), which comprises the statement of financial position as at 30 November 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 14 month period ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 and fair presentation of the financial report 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 review, we complied with the independence requirements of the Corporations Act 2001.

Basis for qualified auditor's opinion

Cash from donations and other fund raising activities are a significant source of revenue for the Fighting Chance Australia Limited. The directors of Fighting Chance Australia Limited have determined that it is impracticable to establish control over the collection of cash from donations and other fund raising activities prior to entry into its financial records.

Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to these sources had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash from donations and other fund raising activities is complete.

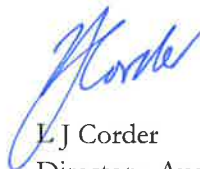
Qualified Auditor's opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matter giving rise to the qualification:

- a the financial report of Fighting Chance Australia Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's financial position as at 30 November 2010 and of its performance for the 14 month period ended on that date; and
- b complying with Australian Accounting Standards and the Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



LJ Corder
Director - Audit & Assurance

Sydney, 17 May 2011