Fighting Chance Australia Limited

ABN 85 140 018 702
Financial Statements for the 10 months ended 30 September 2013

Contents

Directors' report

Your directors present their report on the Company for the 10 months ended 30 September 2013.

Directors

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

Laura O'Reilly
Peta Morrison
Nicola Ashton
Timothy Moore
Stephen Rothman

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

Information on Company Secretary

Laura O'Reilly held the position of Company Secretary for the 10 month period up until the date of this report.

Principal activities

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

The focus of our service delivery for 2012/13 was our employment venture called The Enterprise Program. The program is designed to create employment opportunities for people with physical disabilities who are otherwise considered unemployable.

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

Short-term objectives

The Charity's short-term objectives are to:

- Provide opportunities to school leavers and adults with disabilities in Sydney in the areas of employment and social participation.
- Provide opportunities to 50 people with physical disabilities in Sydney in the area of employment and 250 people with physical disabilities in Sydney in the area of social participation.
- To establish world-class, innovative services here in Sydney which set the pace in terms of quality and outcomes for our service users.

Long-term objectives

The Charity's long-term objectives are to:

- Provide opportunities to school leavers and adults with disabilities across Australia in the areas of employment and social participation.
- To reach communities across Australia in urban, rural and remote communities by partnering with local disability services who can implement the services locally which we have designed in Sydney.
- To be recognized as a thought-leader in the sector
- To continue developing new, innovative projects in Sydney which can be spread across Australia.

Strategy for achieving short and long term objectives

To achieve these objectives, the Group has adopted the following strategies:

- To allow key staff members high levels of access to centres of thinking in this sector, to inform the services we are creating in Sydney.
- Retain the independence of the organisation in terms of its financial partners, to allow it to continue developing innovative services.
- To attract and retain staff of the highest quality to implement our services, and to achieve a very low staff turnover through rewarding effort and success.
- To develop voluntary teams of the highest quality to allow the organisation to remain at the forefront of thought leadership.
- Foster an internal culture which is about innovation, creativity, and creating the best possible services for our service users.
- Set high standards of best practice and quality, which all employees are expected to adhere to.
- Enter into strong partnerships with other providers from the outset and throughout.

Information on Directors

Name	**Laura O'Reilly (Executive director)**
Qualifications	BA (Hons) Cantab
Experience	Laura has experience with running not for profits, experience in events and fundraising.
Name	**Justice Stephen Rothman, AM (Chairman)**
Qualifications	LLB (UNSW)
Experience	Stephen is a judge of the Supreme Court of NSW and a life member and/or governor of a number of charitable bodies.
Name	**Timothy Moore (Non-executive director)**
Qualifications	BBus (UTS)
Experience	Timothy founded and ran a very successful content media company which was sold in 2011. He is currently a Director of an ASX listed mining company.
Name	**Nicola Ashton (Non-executive director)**
Qualifications	BA (Economics and Politics) (USYD)
Experience	Nicola has 16 years of experience across equity and derivative markets globally. She founded Chance Investment Management, managing a specialist thematic equities product focused on climate change investment opportunities.
Name	**Peta Morrison (Non-executive director)**
Qualifications	BBus (Industrial Law and Human Resources) (UTS), JP.
Experience	Peta has many years of experience in marketing and management across a variety of fields. She has served on the boards and committees of various charities.

Directors Meetings Attendance

Directors	13 Dec 2012	21 Mar 2013	16 Jul 2013	28 Aug 2013
Laura O'Reilly	*	*	*	*
Justice Stephen Rothman	*	A	A	A
Timothy Moore	*	*	*	*
Nicola Ashton	*	*	*	*
Peta Morrison	*	*	*	*

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

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.

Lead auditor's independence declaration

A copy of the lead 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 22nd of November 2013

Grant Thornton

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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 10 months ended 30 September 2013, 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 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, 22 November 2013

Statement of profit or loss and other comprehensive income

For the 10 months to 30 September 2013

	Note	10 months to 30 September 2013 $	Year ended 30 November 2012 $
Revenue			
Donations received		128,771	59,272
Grants		66,618	82,097
Functions		89,884	139,159
Care funding		94,827	76,686
Other income	4	3,527	6,358
		383,627	363,572
Cost of goods sold		4,844	-
Gross profit		378,783	363,572
Expenses			
Administration expenses		2,330	5,546
Function expenses		46,494	85,589
Donations paid		1,200	-
Marketing expenses		1,762	5,221
Project expenses	5	297,349	276,594
Other expenses		151	787
		349,286	373,737
Surplus / (deficit) for the year		29,497	(10,165)
Other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year		29,497	(10,165)

Statement of financial position

As at 30 September 2013

	Note	30 September 2013 $	30 November 2013 $
Current assets			
Cash and cash equivalents	8	113,806	91,547
Trade and other receivables	9	31,257	27,555
Inventory	10	5,497	-
Total current assets		150,560	119,102
Non-current assets			
Plant and equipment	11	35,432	30,319
Total non-current assets		35,432	30,319
Total assets		185,992	149,421
Current liabilities			
Trade and other payables	12	27,694	16,604
Employee benefits	13	1,187	5,203
Total current liabilities		28,881	21,807
Total liabilities		28,881	21,807
Net assets		157,111	127,614
Equity			
Retained earnings		157,111	127,614
Total equity		157,111	127,614

Statement of changes in equity

For the 10 months ended 30 September 2013

	Retained earnings $	Total equity $
Total equity at 1 December 2011	137,779	137,779
Total comprehensive loss for the year	(10,165)	(10,165)
Total equity at 30 November 2012	127,614	127,614
Total comprehensive income for the period	29,497	29,497
Total equity at 30 September 2013	157,111	157,111

Statement of cash flows

For the 10 months ended 30 September 2013

	Note	10 months to 30 September 2013 $	Year ended 30 November 2012 $
Cash flows from operating activities			
Donations		371,848	363,824
Payments to suppliers and employees		(348,773)	(364,051)
Interest income received		1,657	2,418
Net cash provided by operating activities	14	24,732	2,191
Cash flows from investing activities			
Purchase of plant and equipment		(2,473)	(7,500)
Net cash used in investing activities		(2,473)	(7,500)
Net change in cash and cash equivalents held		22,259	(5,309)
Cash and cash equivalents at beginning of period		91,547	96,856
Cash and cash equivalents at end of period	8	113,806	91,547

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

Notes to the financial statements

For the 10 months ended 30 September 2013

1 Reporting entity

Fighting Chance Australia Limited ("the Company") is incorporated and domiciled in Australia. Fighting Chance Australia Limited, a not-for-profit company limited by guarantee, as at and for the 10 month period ended 30 September 2013 comprises the Company only.

2 Basis of preparation

(a) Statement of compliance

The Company early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 December 2011 to prepare Tier 2 general purpose financial statements.

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 22 November 2013.

(b) Basis of measurement

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

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) 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.

(d) Use of estimates and judgements (cont'd)

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.

(e) Presentation of financial statements and reduced disclosure

The Company early adopted reduced disclosure requirements in AASB 1053 Application of Tiers of Australian Accounting Standards, AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements and AASB 2011-02 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements. This has resulted in a reduction of disclosures for items such as financial instruments and reconciliation of cash flows.

Comparative information has been re-presented or removed so that it also conforms to the new disclosure requirements. Since the change in accounting policy only impacts presentation aspects there was no impact on comprehensive income.

(f) Reporting Period

The financial statements for the current period have been prepared for the ten month reporting period ended on 30 September 2013. The prior reporting period ended 30 November 2012 has been disclosed in this financial report as a twelve month period ended on that date and therefore the comparative amounts disclosed in this financial report and related notes are not comparable as a result of the different reporting periods. The Company changed its reporting period to end on 30 September of each respective year to better align with grant funding application periods and pro-bono service offerings, as permitted by the Australian Charities and Not-for-Profits Commission.

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.

(i) Non-derivative financial assets (cont'd)

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) Use of estimates and judgements 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.

(f) 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.

(g) 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.

(h) 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).

(i) 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.

(j) 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.

(k) 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

	10 Months to 30 September 2013 $	Year ended 30 November 2012 $
Other income		
- Late fees collected	123	-
- Miscellaneous fundraisers	1,591	3,865
- Entertainment funding	156	75
- Interest income	1,657	2,418
Total other income	3,527	6,358

5 Project expenses

	10 Months to 30 September 2013 $	Year ended 30 November 2012 $
Project expenses include the following types of expenses:		
(a) Depreciation		
Depreciation expense	3,780	3,559
(b) Employee benefits expenses		
Wages and salaries	207,199	183,361
Superannuation	18,186	16,414
(Decrease) / increase in annual leave provisions	(4,016)	2,709
Total employee benefits expense	221,369	202,484

6 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 $
10 Months to 30 September 2013					
Total compensation	77,276	-	6,952	-	84,228
30 November 2012					
Total compensation	24,193	-	2,180	-	26,373

7 Auditors' remuneration

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

8 Cash and cash equivalents

	30 September 2013 $	30 November 2012 $
Petty cash	200	646
Cash at bank	113,606	90,901
Total cash and cash equivalents	113,806	91,547

9 Trade and other receivables

	30 September 2013 $	30 November 2012 $
Trade debtors	1,945	-
Grant receivable	18,424	17,325
Deposits paid	5,133	5,133
GST refundable	-	3,012
Prepayments	5,755	2,085
Total trade and other receivables	31,257	27,555

10 Inventory

	30 September 2013 $	30 November 2012 $
Inventory		
Stock on hand	5,497	-
Total plant and equipment	5,497	-

11 Plant and equipment

	30 September 2013 $	30 November 2012 $
Plant and equipment		
Plant and equipment:		
At cost	44,101	35,316
Accumulated depreciation	(8,669)	(4,997)
Total plant and equipment	35,432	30,319

	Total $
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:	
Balance at 1 December 2011	24,878
Additions	9,000
Depreciation expense	(3,559)
Balance at 30 November 2012	30,319
Additions	8,893
Depreciation expense	(3,780)
Balance at 30 September 2013	35,432

12 Trade and other payables

	30 September 2013 $	30 November 2012 $
Trade creditors	3,186	3,337
Payroll accruals	22,287	12,517
GST payable	113	-
Other current liabilities	2,108	750
Total trade and other payables	27,694	16,604

13 Employee benefits

	30 September 2013 $	30 November 2012 $
Provision for annual leave	1,187	5,203
Total short-term provisions	1,187	5,203

	Total $
Reconciliation	
Opening balance at 1 December 2011	1,979
Additional provisions raised during the year	3,224
Opening balance at 1 December 2012	5,203
Provisions used during the period	(4,016)
Balance at 30 September 2013	1,187

Defined contribution plans

The Company has paid or has payable, contributions of $18,186 to defined contributions plans on behalf of employees for the 10 months ended 30 September 2013 (year ended 30 November 2012: $16,414).

14 Cash flow information

	10 Months to 30 September 2013 $	30 November 2012 $
(a) Reconciliation of cash flow from operating activities with (deficit) / surplus after income tax:		
Operating (deficit) / surplus after income tax	29,497	(10,165)
Non-cash flows		
- Donations fixed assets	(6,420)	(1,500)
- Depreciation	3,780	3,559
Changes in assets and liabilities		
- (Increase)/decrease in receivables	(3,702)	625
- (Increase) in inventories	(5,497)	-
- Increase in payables	11,090	6,448
- (Decrease)/increase in employee benefits	(4,016)	3,224
Cash flow from operating activities	24,732	2,191

15 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.

16 Capital commitments

	30 September 2013 $	30 November 2013 $
Less than 12 months	17,666	28,000
More than 12 months less than 5 years	-	11,667
Greater than 5 years	-	-
Total	17,666	39,667

17 Contingent assets and contingent liabilities

There are no 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.

19 Company Details

The registered office of the Company is:

Unit 9c, 106 Old Pittwater Road
Brookvale, NSW, 2100

Directors' declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 17, are in accordance with the Corporations Act 2001:

   (a) give a true and fair view of the financial position as at 30 September 2013 and of the performance for the 10 months ended on that date of the Company; and

   (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001.

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 22nd of November 2013

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 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the 10 month period 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 Corporations Act 2001. 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 Corporations Act 2001.

Auditor's opinion
In our opinion, the financial report of Fighting Chance Australia Limited is in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the Company's financial position as at 30 September 2013 and of its performance for the 10 months ended on that date; and

b complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 22 November 2013