Fighting Chance Australia Limited

ABN 85 140 018 702

Consolidated Financial Statements - 30 September 2021

FIGHTING CHANCE

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Fighting Chance Australia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 September 2021.

Directors

The following persons were directors of Fighting Chance Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Cake (Chair)
Laura O'Reilly
Robert Buckingham
Tim Powell

Principal activities

During the financial year the principal continuing activities of the consolidated entity are building and empowering social businesses for people with disability.

Company secretary

Christine Charron-Doucet has held the role of Company Secretary since 1/5/2019.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of $20 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is $80, based on 4 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

On behalf of the directors

Laura O'Reilly	Stephen Cake
Director	Chair

14 February 2022

LBW & Partners
Chartered Accountants & Business Advisors
ABN 80 618 803443

Office
Level 3, 845 Pacific Hwy, Chatswood NSW 2067
Postal address
PO Box 276, Chatswood NSW 2057

W www.lbw.com.au
E mail@lbw.com.au
P (02) 9411 4866

Partners
Elias Y Bader
Rupa Dharmasiri
George P Rochios
Mark W Willock

Fighting Chance Australia Limited
ABN: 85 140 018 702

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 auditor of Fighting Chance Australia Limited for the year ended 30 September 2021, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dharmasiri

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 14th day of February 2022

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue			
Revenue from contracts with customers:			
- Service revenue		17,579,876	12,529,339
- Grants		2,389,206	2,280,685
- Business revenue		1,372,895	843,034
Government subsidies (COVID-19)		2,590,160	3,905,000
Interest		9,944	13,564
Fundraising		69,812	206,460
Other revenue		74,547	29,155
Total revenue		24,086,440	19,807,237
Expenses			
Administration expenses		(3,997,242)	(2,811,502)
Fundraising expenses		(2,011)	(63,680)
Service delivery expenses		(19,922,577)	(14,889,955)
Finance costs	4	(188,076)	(107,559)
Total expenses		(24,109,906)	(17,872,696)
Surplus/(deficit) before income tax expense		(23,466)	1,934,541
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year		(23,466)	1,934,541
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(23,466)	1,934,541

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Fighting Chance Australia Limited
Consolidated statement of financial position
As at 30 September 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	5	5,249,063	4,081,541
Trade and other receivables	6	1,729,628	1,533,196
Inventories		11,829	11,928
Other assets	7	368,575	225,363
Total current assets		7,359,095	5,852,028
Non-current assets			
Property, plant and equipment	8	1,699,334	1,288,677
Right-of-use assets	9	6,738,190	3,686,866
Total non-current assets		8,437,524	4,975,543
Total assets		15,796,619	10,827,571
Liabilities			
Current liabilities			
Trade and other payables	10	1,119,967	1,244,107
Contract liabilities		240,675	423,216
Borrowings	11	11,301	10,905
Lease liabilities	12	983,241	737,699
Employee benefits	13	891,469	484,861
Total current liabilities		3,246,653	2,900,788
Non-current liabilities			
Borrowings	11	1,855,771	417,105
Lease liabilities	12	5,958,718	2,940,381
Employee benefits	13	60,585	61,045
Provisions	14	489,521	299,415
Total non-current liabilities		8,364,595	3,717,946
Total liabilities		11,611,248	6,618,734
Net assets		4,185,371	4,208,837
Equity			
Retained surpluses		4,185,371	4,208,837
Total equity		4,185,371	4,208,837

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Retained surpluses $	Total equity $
Balance at 1 October 2019	2,274,296	2,274,296
Surplus after income tax expense for the year	1,934,541	1,934,541
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	1,934,541	1,934,541
Balance at 30 September 2020	4,208,837	4,208,837

Consolidated	Retained surpluses $	Total equity $
Balance at 1 October 2020	4,208,837	4,208,837
Deficit after income tax expense for the year	(23,466)	(23,466)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(23,466)	(23,466)
Balance at 30 September 2021	4,185,371	4,185,371

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Income received from donations, fundraising, grants and services (inclusive of GST)		24,118,543	19,456,797
Payments to suppliers and employees (inclusive of GST)		(22,303,452)	(16,052,481)
Interest received		9,944	13,564
Interest on lease liabilities		(144,959)	(101,961)
Interest paid on borrowings		(43,117)	(5,598)
Net cash from operating activities		1,636,959	3,310,321
Cash flows from investing activities			
Payments for property, plant and equipment		(804,210)	(985,595)
Net cash used in investing activities		(804,210)	(985,595)
Cash flows from financing activities			
Proceeds from borrowings		1,606,883	433,318
Repayment of borrowings		(210,938)	(10,906)
Repayment of lease liabilities		(1,061,172)	(842,605)
Net cash from/(used in) financing activities		334,773	(420,193)
Net increase in cash and cash equivalents		1,167,522	1,904,533
Cash and cash equivalents at the beginning of the financial year		4,081,541	2,177,008
Cash and cash equivalents at the end of the financial year	5	5,249,063	4,081,541

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Fighting Chance Australia Limited as a consolidated entity consisting of Fighting Chance Australia Limited (parent entity) and the entity it controlled, Jigsaw Group (AUS) Limited (subsidiary), at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Fighting Chance Australia Limited's functional and presentation currency.

The parent entity and the subsidiary are not-for-profit unlisted public companies limited by guarantee. Both entities are registered with Australian Charities and Not-for-profits Commission as charities.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 February 2022.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for not-for profit oriented entities, the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation of the Charitable Fundraising Act 1991 and associated regulations.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparatives

Certain comparatives in the statement of financial position have been realigned to the current period presentation. There has been no effect on the surplus for the year.

Parent entity information

These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Fighting Chance Australia Limited ('company' or 'parent entity') as at 30 September 2021 and the results of all subsidiaries for the year then ended. Fighting Chance Australia Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Service revenue
Fees charged for care or services provided to clients are recognised when the service have been delivered.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Grants
When the company receives grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the company:
- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the company:
- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Revenue from contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Income from donations, grants and bequests generally that do not have sufficiently specific performance obligations are recognised at the fair value of the asset when such asset is received. The consolidated entity considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Fundraising income
Revenue from fundraising events are brought to account as income on the completion of the event.

Income tax
As the parent entity and the controlled entity are registered charities, they are exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 2. Significant accounting policies (continued)

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Inventories are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	Life of lease
Fixtures & fittings	4 - 20 years
Motor vehicles	5 years
Office equipment	2 - 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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

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

Note 2. Significant accounting policies (continued)

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

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

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

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, suppliers, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 4. Expenses

	Consolidated 2021 $	Consolidated 2020 $
Surplus/(deficit) before income tax includes the following specific expenses:		
Employee benefits expense		
Wages and salaries	17,334,179	13,103,711
Defined contribution superannuation expense	1,615,457	1,119,940
Other employee benefits	138,146	320,739
	19,087,782	14,544,390
Depreciation and amortisation		
Motor vehicle - Right-of-use	63,965	44,824
Office premises - Right-of-use	1,140,553	887,859
Property, plant and equipment	368,306	274,601
	1,572,824	1,207,284
Finance costs		
Interest and finance charges paid/payable on borrowings	43,117	5,598
Interest and finance charges paid/payable on lease liabilities	144,959	101,961
Finance costs expensed	188,076	107,559
Net loss on disposal		
Net loss on disposal of property, plant and equipment	-	28,585

Note 5. Cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Current assets		
Cash on hand	82	2,255
Cash at bank	4,340,426	3,316,523
Cash on deposit	908,555	762,763
	5,249,063	4,081,541

Cash on deposits amounting to $608,555 (2020: $462,763) are held by the bank as security for performance on office leases.

Note 6. Trade and other receivables

	Consolidated 2021 $	Consolidated 2020 $
Current assets		
Trade receivables	1,195,826	758,325
Other receivables	533,802	650,340
BAS receivable	-	124,531
	1,729,628	1,533,196

Note 7. Other assets

	Consolidated 2021 $	Consolidated 2020 $
Current assets		
Prepayments	334,276	191,147
Security deposits	30,000	30,000
Other current assets	4,299	4,216
	368,575	225,363

Note 8. Property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Leasehold improvements - at cost	1,655,409	1,146,952
Less: Accumulated depreciation	(417,460)	(215,478)
	1,237,949	931,474
Fixtures and fittings - at cost	349,320	192,187
Less: Accumulated depreciation	(75,662)	(43,862)
	273,658	148,325
Motor vehicles - at cost	52,182	24,000
Less: Accumulated depreciation	(16,207)	(10,468)
	35,975	13,532
Office equipment - at cost	293,476	405,561
Less: Accumulated depreciation	(141,724)	(210,215)
	151,752	195,346
	1,699,334	1,288,677

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Leasehold improvements $	Fixture & fittings $	Motor vehicles $	Office equipment $	Total $
Balance at 1 October 2020	931,474	148,325	13,532	195,346	1,288,677
Additions	568,113	172,136	28,182	35,779	804,210
Disposals	(17,571)	(4,517)	-	(3,159)	(25,247)
Depreciation expense	(244,067)	(42,286)	(5,739)	(76,214)	(368,306)
Balance at 30 September 2021	1,237,949	273,658	35,975	151,752	1,699,334

Note 9. Right-of-use assets

	Consolidated 2021 $	Consolidated 2020 $
Non-current assets		
Motor vehicles - right-of-use	325,660	213,888
Less: Accumulated depreciation	(98,289)	(44,824)
	227,371	169,064
Office premises - right-of-use	8,111,434	4,380,184
Less: Accumulated depreciation	(1,600,615)	(862,382)
	6,510,819	3,517,802
	6,738,190	3,686,866

The consolidated entity leases land and buildings for its offices under agreements of between 2 to 10 years and motor vehicles up to 7 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Motor vehicles - right-of-use $	Office premises - right-of-use $	Total $
Balance at 1 October 2020	169,064	3,517,802	3,686,866
Additions	122,272	4,278,220	4,400,492
Disposals	-	(144,650)	(144,650)
Depreciation expense	(63,965)	(1,140,553)	(1,204,518)
Balance at 30 September 2021	227,371	6,510,819	6,738,190

Note 10. Trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Trade payables	550,258	349,577
Payroll accruals	391,507	416,175
BAS payable	42,004	8,718
Other payables	136,198	469,637
	1,119,967	1,244,107

Note 11. Borrowings

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Secured loan - equipment	11,301	10,905
Non-current liabilities		
Secured loan - equipment	5,771	17,105
Secured loan - SEFA	1,850,000	-
Unsecured loan - Bryan Foundation	-	400,000
	1,855,771	417,105
	1,867,072	428,010

Total secured liabilities
The total secured liabilities are as follows:

	Consolidated 2021 $	Consolidated 2020 $
Secured loan - equipment	17,072	28,010
Secured loan - SEFA	1,850,000	-
	1,867,072	28,010

Assets pledged as security
Equipment loan is secured by computer equipment with a written down value of $20,395 as at 30 September 2021.

The SEFA loan is secured by a General Security Deed. The loan bears interest at 3.75% p.a. payable quarterly and is repayable in four annual instalments commencing on 31 March 2023.

Note 12. Lease liabilities

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Lease liability - Office premises	824,925	632,221
Lease liability - Motor vehicles	158,316	105,478
	983,241	737,699
Non-current liabilities		
Lease liability - Office premises	5,883,182	2,461,894
Lease liability - Motor vehicles	75,536	478,487
	5,958,718	2,940,381
	6,941,959	3,678,080

Note 13. Employee benefits

	Consolidated 2021 $	Consolidated 2020 $
Current liabilities		
Annual leave	891,469	484,861
Non-current liabilities		
Long service leave	60,585	61,045
	952,054	545,906

Note 14. Provisions

	Consolidated 2021 $	Consolidated 2020 $
Non-current liabilities		
Lease make good	300,000	200,000
Other	189,521	99,415
	489,521	299,415

Note 15. Fundraising - Information to be Furnished under the Charitable Fundraising Act, 1991

	Consolidated 2021 $	Consolidated 2020 $
Gross income and total expenses in fundraising appeals		
Fundraising events	-	71,158
General donations	69,812	135,302
Corporate and other non-government grants	2,389,206	2,280,685
Gross proceeds from fundraising appeals (A)	2,459,018	2,487,145
Gross proceeds from fundraising appeals	2,459,018	2,487,145
Less: Direct costs of fundraising (B)	(2,011)	(63,680)
Surplus of fundraising (C)	2,457,007	2,423,465
Application of funds for charitable purposes		
Total revenue (D)	24,086,440	19,807,237
Revenue received was applied as follows:		
Cost of fundraising	2,011	63,680
Cost of service and others (E)	20,105,310	14,997,514
Administrative expenses	3,997,242	2,811,727
Total expenditure (F)	24,104,563	17,872,921
Surplus/(deficit) transferred to retained surplus	(18,123)	1,934,316

Note 15. Fundraising - Information to be Furnished under the Charitable Fundraising Act, 1991 (continued)

	%	%
Gross comparisons		
Total direct cost of fundraising / Gross proceeds from fundraising (B/A)	-	3%
Surplus from fundraising / Gross proceeds from fundraising (C/A)	100%	97%
Total cost of services / Total expenditure (E/F)	83%	84%
Total cost of services / Total revenue (E/D)	83%	76%

Note 16. Key management personnel disclosures

Compensation
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the year are as follows:

	Consolidated	
	2021	2020
	$	$
Aggregate compensation	751,230	713,970

Note 17. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in note 19.

Key management personnel
Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	$	$
Sale of services:		
Services rendered - Work carried out by Fighting Chance's employees with a disability for Hireup. This arrangement was entered into to provide work experience opportunities for employees participating in the Jigsaw program	280,695	78,669
Payment for services:		
Purchase of services from Hireup Pty Ltd	108,345	4,373
Purchase of services from Jardine Consulting Pty Ltd	-	110,894
Purchase of services from Edit by Visceral	6,520	6,000

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 18. Members guarantee

The parent entity 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.

As at 30 September 2021 the number of members was 4 (2020: 4).

Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Jigsaw Group (AUS) Limited	Australia	100%	100%

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 $	Parent 2020 $
Surplus after income tax	303,331	1,465,695
Total comprehensive income	303,331	1,465,695

Statement of financial position

	Parent 2021 $	Parent 2020 $
Total current assets	5,091,185	4,878,263
Total assets	11,886,235	9,300,747
Total current liabilities	2,884,906	2,514,858
Total liabilities	7,842,913	5,560,756
Equity		
Retained surpluses	4,043,322	3,739,991
Total equity	4,043,322	3,739,991

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 September 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 September 2021 and 30 September 2020.

Note 20. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity.

Note 21. Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the services offered, customers, suppliers, staffing and geographic regions in which the consolidated entity operates. The Coronavirus (COVID-19) pandemic resulted in interruptions to the services provided by the consolidated entity during the reporting period. The consolidated entity sought and received JobKeeper support in accordance with the Coronavirus Economic Response Package (Payments and Benefits) Rules 2020 and COVID-19 JobSaver Payment Program support delivered by the Department of Customer Service, Service NSW, Revenue NSW, the Commonwealth Government and NSW Treasury. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 22. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, of Coronavirus (COVID-19) after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any further economic stimulus that may be provided.

The directors of the company declare that:

The attached financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012:

(a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013;

(b) give a true and fair view of the financial position as at 30 September 2021 and of the financial performance for the year ended on that date of the consolidated entity; and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

In the directors' opinion:

(a) the financial statements give a true and fair view of all income and expenditure with respect to fundraising;

(b) the statement of financial position gives a true and fair view of the state of affairs of the consolidated entity with respect to fundraising appeals;

(c) the provisions of the Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the company; and

(d) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and Charitable Fundraising Act 1991 & Regulations.

On behalf of the directors

Laura O'Reilly
Director

Stephen Cake
Chair

14 February 2022

LBW & Partners
Chartered Accountants & Business Advisors
ABN 80 618 803443

Office
Level 3, 845 Pacific Hwy, Chatswood NSW 2067
Postal address
PO Box 276, Chatswood NSW 2057

W www.lbw.com.au
E mail@lbw.com.au
P (02) 9411 4866

Partners
Elias Y Bader
Rupa Dharmasiri
George P Rochios
Mark W Willock

Fighting Chance Australia Limited

ABN: 85 140 018 702

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

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report of Fighting Chance Australia Limited and its controlled entity (the 'consolidated entity'), which comprises the consolidated statement of financial position as at 30 September 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial report of the consolidated entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the consolidated entity's financial position as at 30 September 2021 and of its financial performance for the year then ended; and
- complying with Australian *Accounting Standards – Reduced Disclosure Requirements*, and the Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practical for the consolidated entity to maintain an effective system of internal control over donations, bequests and other fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to those activities was limited to amounts recorded.

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 consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Fighting Chance Australia Limited

ABN: 85 140 018 702

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

Responsibilities of Directors 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 the *Australian Accounting Standards – Reduced Disclosure Requirements* and the *Australian Charities* and *Not-for-profits Commission Act 2012* and for such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the consolidated 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 directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the consolidated 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.

A further description of our responsibilities for the audit of the financial report is located in the auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Fighting Chance Australia Limited

ABN: 85 140 018 702

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

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

Opinion

In our opinion:

a) the financial report of the consolidated entity has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2021, in all material respects, in accordance with:

   i. sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;
   ii. section 11 of the NSW Charitable Fundraising Regulations 2015;

b) the money received as a result of fundraising appeals conducted by the consolidated entity during the financial year ended 30 September 2021 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Acts and Regulations.

Responsibilities

The directors of the company are responsible for the preparation and presentation of a report that gives a true and fair view of the financial result of fundraising appeals in accordance with the *Charitable Fundraising Act 1991.* Our responsibility is to express an opinion on the matters above in accordance with Australian Auditing Standards.

Dharmasiri

Rupaninga Dharmasiri
Partner

LBW & Partners
Chartered Accountants
Level 3, 845 Pacific Highway
CHATSWOOD NSW 2067

Dated this 15th day of February 2022