

Special Olympics Australia

ABN 28 050 738 728

Annual Report

31 December 2017

Special Olympics Australia

Contents

Directors' report.....3

Lead auditor's independence declaration8

Statement of profit or loss and comprehensive income9

Statement of financial position 10

Statement of changes in members' funds 11

Statement of cash flows..... 12

Notes to the accounts..... 13

Directors' declaration 25

Declaration by Director in respect of fundraising appeals 26

Declaration by Director in respect of Office Bearer's Statement 27

Independent audit report to the members of Special Olympics Australia..... 28

Special Olympics Australia

Directors' report (continued)

For the year ended 31 December 2017

The directors present their report together with the consolidated financial statements of the Group comprising Special Olympics Australia (the Company) and its subsidiary for the financial year ended 31 December 2017 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Cameron Brownjohn (Chairman)

Cameron is a career investment banker and is currently Division Director of Macquarie Capital's Principal Investments division. Prior to joining the corporate world, Cameron was competitive at a state and national level across a range of sports. In addition to combining his passions for sport & the community, Cameron brings his business acumen, corporate knowledge and fiscal skills to the Board. Cameron is a member of the Finance and Audit committee.

Appointed on 2 May 2014 and was appointed as Chairman on 30 November 2016.

Michael Hogan (Vice Chairman)

Michael Hogan is a retired public affairs consultant. He is a wise counsel. He is a passionate believer in the work of Special Olympics Australia with over thirty years of exposure as the parent of a Down Syndrome son who has been a long term SOA athlete. Michael believes Special Olympics is the gateway for families, athletes and carers to a more inclusive lifestyle. "When you consider that our athletes exceed the national ID average in terms of employability SO is doing something right. It's all part of the big journey we're on as we continue to pioneer new territory for everyone associated with intellectual disability". Michael is a member of the Finance and Audit committee.

Appointed on 9 July 2012.

Benjamin Haack

As a Special Olympics athlete, coach, volunteer and leader, Ben brings vast experience to his role on the Board. He has played sport at all levels and has completed athlete leadership training. Ben is currently a member of the Special Olympics Asia Pacific (SOAP) Leadership Council and Co-Chair of the SOAP Athlete Input Council. He is a Special Olympics International (SOI) Board Director, a member of the SOI International Advisory Committee as well as a member of the SOI Research and Public Policy Committee. Ben is the third athlete representative to the National Board continuing the good work of Kim Flannigan (SA) and Andrew Williams (VIC).

Appointed on 26 May 2012.

Shaun Fraser

Shaun is a Chartered Accountant with over 26 years' experience including over 14 years with one of the Big 4 Accounting firms where he worked in both Australia and the United States. Shaun was a founding partner of a boutique advisory firm McGrathNicol in 2004 where he is currently a Partner and leads the firm's Corporate Advisory business. Shaun has spent the majority of his career assisting companies, boards and stakeholders through difficult situations and he has been involved in some of Australia's largest and most complex insolvency and restructuring assignments. He has been responsible for the growth and development of various aspects of McGrathNicol's business including the establishment of the firm's corporate Advisory practice which provides support to market leading Australian corporates on strategy, governance and performance improvement. Shaun is the chair of the Finance and Audit committee.

Appointed on 30 May 2015.

Irena Reiss

Irena is a practicing lawyer with an extensive career primarily in the area of commercial dispute resolution having acted for clients across the corporate, private and public sectors. As a parent of a Special Olympics athlete, Irena's lived experience and previous roles at a regional committee level brings to the board a demonstrated understanding of the grass roots of the organization. Irena's passion for Special Olympics is driven by a longstanding commitment to human rights, corporate social responsibility and inclusion. Irena is also a member of the Law Society of NSW Human Rights Committee and on the disability panel of experts for the Law Council of Australia's 'Access to Justice' project. Irena's diverse networks and advocacy skills places her in a unique position to help empower people with intellectual disabilities. Irena was a member of Finance and Audit committee from 30 May 2015 to 31 March 2016 and on 31 July 2017 was appointed Chair of the Governance Committee.

Appointed on 30 May 2015.

Anna-Louise Kassulke

Anna-Louise is the CEO of Gold Coast Recreation and Sport Inc. She has worked in the sport and disability sector for 30 years and has experience in project development and leadership. Anna-Louise was instrumental in establishing Special Olympics Australia in Queensland and has served Special Olympics Australia in a variety of capacities since 1988, including State Director of Sport and Training and Head of Delegation for the Australian team at the 2007 World Games in Shanghai and 2011 World Games in Athens. Anna-Louise was originally appointed to the Board in 2009 and stepped down as a Director in 2014 to take up the position of Head of Delegation for the 2015 World Games in Los Angeles. Anna-Louise rejoined the Board as a Director after the World Games.

Appointed 30 October 2015.

Allison O'Shea

Allison has an extensive and diverse professional background with over 25 years in the Finance, Law, Insurance, Tourism Technology, Health and Sports industries and Philanthropy. Currently she runs her own leadership and wellbeing consultancy business. Previously she held senior management and executive roles and has been integral in managing stakeholder and client relationships as well as business development and team leadership and performance. Allison is passionate about the key mission and purpose of Special Olympics globally to provide sporting opportunities to motivate and inspire participants to develop the skills and networks to flourish and achieve physical and mental wellbeing and promote inclusion. She is a Graduate of the AICD.

Appointed 17 February 2016.

Megan Lavender

Megan has three decades' experience as a public company director and government board member, and currently serves as a non-executive director on fifteen boards. A transformational leader of organizations – with a focus on stakeholder engagement – she is a university dean and college director, and has previously served as chief executive officer in the health industry, national head of corporate affairs, ministerial advisor to the Australian minister for sport and the Sydney 2000 Games, and as an elected city councilor. Megan is passionate about Special Olympics which embodies the Australian notion of fair go, fair dinkum for everyone involved. She is a member of the Governance and Development Committees.

Appointed 29 April 2016.

Nicole Swaine

Nicole has over 10 years' experience in the disability sector including over four years as the CEO of Spastic Centres of South Australia where she oversaw programs that included sport participation for adults with severe and multiple disabilities. Nicole is a member of AICD and has sat on numerous sporting and disability Boards. Nicole was a member of the Finance and Audit committee from 22 July 2016 to 28 July 2017

Appointed 29 April 2016.

Directors' report (continued)

For the year ended 31 December 2017

Ruby Lawler

Ruby is an active member of Special Olympics Gladstone and her local swim club. She regularly volunteers at the RSPCA and is committed to investing in her local community as a Youth Ambassador with Gladstone Community Linking Agency. Of her appointment, Ruby said, "I am excited to work alongside Ben to represent Special Olympics athletes, to have an opportunity to share ideas, good news stories and opinions that are important to all of us."

Appointed 04 November 2016

Dave Fenlon

Dave Fenlon is a CEO/Senior executive with extensive experience across Europe and Oceania in private equity, public and privately held retail, supply, manufacturing and client facing businesses. Dave has exceptional leadership capabilities and change management skills with a strong emphasis on delivering strong operational results through superior financial and strategic capabilities. Dave has an emphasis on building strong organizational foundations.

Appointed 10 February 2017.

2. Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

| Director | Board Meetings | | Finance and Audit Committee Meetings | |
|----------------------|----------------|---|--------------------------------------|---|
| | A | B | A | B |
| Cameron Brownjohn | 7 | 7 | 5 | 5 |
| Michael Hogan | 7 | 7 | 5 | 5 |
| Benjamin Haack | 5 | 7 | | |
| Shaun Fraser | 5 | 7 | 5 | 5 |
| Irena Reiss | 7 | 7 | | |
| Anna-Louise Kassulke | 5 | 7 | | |
| Allison O'Shea | 6 | 7 | | |
| Megan Lavender | 7 | 7 | | |
| Nicole Swaine* | 5 | 7 | 1 | 3 |
| Ruby Lawler | 5 | 7 | | |
| Dave Fenlon* | 6 | 6 | | |

A - Number of meetings attended

B - Number of meetings held during the time the director held office during the year.

* Nicole Swaine ceased from the Finance and Audit Committee 28 July 2017

* Dave Fenlon appointed to the Board 10 February 2017

3. Principal activities

The principal activities of the Company during the course of the financial year were promoting and supporting athletes in the development of sports training and competition for persons with an intellectual disability in accordance with the license granted by Special Olympics Inc. ("SOI")

There were no other significant changes in the nature of the activities of the Company during the year.

4. Objectives and strategies

The Special Olympics Global Mission is to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.

Special Olympics Australia

Directors' report (continued)

For the year ended 31 December 2017

2017 heralded a new SOI strategy built on feedback from the programs around the world with final input given by CEO's at the World Games in Los Angeles, USA in July 2015.

As part of the business planning process for 2017, the Special Olympics Australia Strategy was reviewed to ensure it aligned with the new SOI strategy whilst the SOI Strategic cycle is from January 2016 – December 2020 (5 years). The Special Olympics Australia strategic cycle is from January 2015 – December 2018, the four years of the Australian program culminating with our National Games.

Our business planning approach continues to be one where we focus on the four key pillars of One Team; Stakeholders; Excellence; Athletes and Membership. A visioning exercise is undertaken for each of the pillars, outcome statements agreed and KPI's identified which will demonstrate whether the outcome statement has been achieved or not.

This approach is undertaken initially for the last year of the four year cycle, then for the first year and then each subsequent year as they fall due. Once the plan is approved by the Board quarterly milestones are then established by each team per pillar so that progress can be measured.

5. Performance measurement

Management, monitoring and performance measurement of the objectives of the Company occur through detailed operational plans and budgetary processes that are directly linked to the entire corporate strategy of the Company. Actual performance is monitored on a quarterly basis as a direct comparison to the budgeted operational plan.

6. Operating and financial review

The Deficit of the Company for the year ended 31 December 2017 was \$55,569 (2016: surplus of \$124,794).

During the year the Company's income was derived primarily from donations, government grants, corporate sponsorship, fundraising activities including event programmes, cause-related marketing and athlete levies and registration fees. Costs were primarily incurred in sports delivery and head office and state office costs in managing the operations.

7. Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

8. Environmental regulation

The Company's operation is not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Company during the period covered by this report.

9. Dividends

No dividends were paid or declared by the Company to members in respect of the year ended 31 December 2017 (2016: nil). Section 254SA of the *Corporations Act 2001* prohibits Companies Limited by Guarantee to pay any dividends.

10. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

11. Likely developments

In the current and future years, Special Olympics Australia will continue its sporting and development programmes, financed by sponsorship, donations, fundraising and non-government and government grants.

Special Olympics Australia

Directors' report (continued)

For the year ended 31 December 2017

12. Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums

During the financial year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2017 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2017. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

13. Proceedings on behalf of the Company

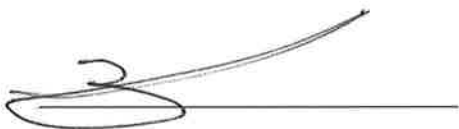
No person has applied for Leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

14. Members' guarantee

The Company is a company limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. The number of members is 47 as at 31 December 2017 (2016: 48). The total amount that members of the Company are liable to contribute if the Company is wound up is \$ 4,700 (2016: \$4,800).

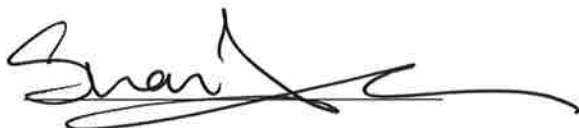
15. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the directors' report for the financial year ended 31 December 2017. This report is made in accordance with a resolution of the directors:



Cameron Brownjohn

Chairman



Shaun Fraser

Director

Dated at Sydney this 2 day of May 2018

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Special Olympics Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2017 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.

KPMG



Cameron Roan

Partner

Sydney

2 May 2018

Special Olympics Australia

Statement of profit or loss and comprehensive income

For the year ended 31 December 2017

| <i>In AUD</i> | Note | 2017 | 2016 |
|------------------------------------------------------|-------------|--------------------|--------------------|
| Revenue | | | |
| Fundraising revenue | 4 | 2,873,453 | 2,954,048 |
| Sports and program income | 5 | 2,178,095 | 2,359,309 |
| Programs support and administration | 6 | 357,206 | 299,594 |
| | | <u>5,408,754</u> | <u>5,612,951</u> |
| Expenses | | | |
| Fundraising expenses | 7 | (1,583,048) | (1,593,652) |
| Sports and program expenses | | (2,602,936) | (2,679,061) |
| Programs support and administration | | (1,276,518) | (1,393,487) |
| Reversal of 2013 Asia Pacific Games' trade creditors | | - | 179,509 |
| | | <u>(5,462,502)</u> | <u>(5,486,691)</u> |
| (Deficit)/Surplus before tax | | (53,748) | 126,260 |
| Tax expense | 3(f) | (1,821) | (1,466) |
| (Deficit)/Surplus for the year | | <u>(55,569)</u> | <u>124,794</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | <u>(55,569)</u> | <u>124,794</u> |

The notes on pages 13 to 24 are an integral part of these financial statements.

Special Olympics Australia

Statement of financial position

For the year ended 31 December 2017

In AUD

| | Note | 2017 | 2016 |
|--------------------------------------|------|------------------|------------------|
| Assets | | | |
| Cash and cash equivalents | 9 | 3,422,418 | 2,718,423 |
| Receivables | 10 | 495,049 | 94,132 |
| Other assets | | 11,284 | 6,336 |
| Prepayments | 12 | 1,119,306 | 106,153 |
| Total current assets | | <u>5,048,057</u> | <u>2,925,044</u> |
| Property, plant and equipment | 11 | 44,783 | 67,125 |
| Prepayments | 12 | - | 146,021 |
| Total non-current assets | | <u>44,783</u> | <u>213,146</u> |
| Total assets | | <u>5,092,840</u> | <u>3,138,190</u> |
| Liabilities | | | |
| Trade and other payables | 13 | 363,876 | 202,406 |
| Unearned income | 14 | 2,795,208 | 936,111 |
| Employee benefits | 15 | 130,726 | 104,751 |
| Total current liabilities | | <u>3,289,810</u> | <u>1,243,268</u> |
| Employee benefits | 15 | 47,840 | 34,163 |
| Unearned income | 14 | - | 50,000 |
| Total non-current liabilities | | <u>47,840</u> | <u>84,163</u> |
| Total liabilities | | <u>3,337,650</u> | <u>1,327,431</u> |
| Net assets | | <u>1,755,190</u> | <u>1,810,759</u> |
| Members' funds | | 1,755,190 | 1,810,759 |
| Members' funds | | <u>1,755,190</u> | <u>1,810,759</u> |

The notes on pages 13 to 24 are an integral part of these financial statements.

Special Olympics Australia

Statement of changes in members' funds

For the year ended 31 December 2017

| <i>In AUD</i> | Members' funds |
|------------------------------------------------|---------------------------|
| Balance as at 1 January 2016 | <u>1,685,965</u> |
| Total comprehensive income for the year | |
| Surplus for the year | 124,794 |
| Other comprehensive income | <u>-</u> |
| Total comprehensive income for the year | <u>124,794</u> |
| Balance as at 31 December 2016 | <u>1,810,759</u> |
| Balance as at 1 January 2017 | <u>1,810,759</u> |
| Total comprehensive income for the year | |
| Surplus/(Deficit) for the year | (55,569) |
| Other comprehensive income | <u>-</u> |
| Total comprehensive income for the year | <u>(55,569)</u> |
| Balance as at 31 December 2017 | <u>1,755,190</u> |

The notes on pages 13 to 24 are an integral part of these financial statements.

Special Olympics Australia

Statement of cash flows

For the year ended 31 December 2017

In AUD

| | Note | 2017 | 2016 |
|-------------------------------------------------------------|------|-------------|-------------|
| Cash flows from operating activities | | | |
| Cash receipts from supporters and participants | | 6,382,678 | 4,794,207 |
| Cash receipts from government and non-government grants | | 878,116 | 1,133,679 |
| Cash paid to suppliers and employees | | (6,590,734) | (6,051,605) |
| Cash generated from/(used in) operations | | 670,060 | (123,719) |
| Interest received | | 34,428 | 46,575 |
| Net cash from/(used in) operating activities | | 704,488 | (77,144) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (493) | (72,367) |
| Net cash used in investing activities | | (493) | (72,367) |
| Net increase/(decrease) in cash and cash equivalents | | 703,995 | (149,511) |
| Cash and cash equivalents at beginning of year | | 2,718,423 | 2,867,934 |
| Cash and cash equivalents at end of year | 9 | 3,422,418 | 2,718,423 |

The notes on pages 13 to 24 are an integral part of these financial statements.

Special Olympics Australia

Notes to accounts

For the year ended 31 December 2017

1. Reporting entity

The financial statements cover Special Olympics Australia as a group consisting of Special Olympics Australia (the Company) and the entities it controlled at the end of, or during the year. Special Olympics Australia is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is C/- Company Matters Pty Ltd, Level 12, 680 George St, Sydney NSW 2000 and the principal place of business is the Binary Centre, Building 1, Level 3, Suite 3.02, 3 Richardson Place, North Ryde NSW 2113. These financial statements are consolidated financial statements of the Company and are as at and for the year ended 31 December 2017.

The Company is a not-for-profit entity and is primarily involved in promoting and supporting members in the development of sports training and competition for persons with an intellectual disability in accordance with the license granted by Special Olympics Inc.

2. Basis of accounting

(a) Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. The consolidated 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, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising (NSW) Act 1991 and Regulations and WA Charitable Collections Act 1946 and WA Charitable Collections Regulation 1947. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors 2 May 2018.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(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 the financial statements 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

(e) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Special Olympics Australia (the Company) as at 31 December 2017 and the results of all subsidiaries for the year then ended. Special Olympics Australia and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Notes to accounts (continued)

For the year ended 31 December 2017

3. Basis of accounting (continued)

(e) Principal of consolidation (continued)

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Non-derivative financial assets

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

The Group 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 Group 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 Group 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 Group has the following category of 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 receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with 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 Group in the management of its short-term commitments.

Notes to accounts (continued)

For the year ended 31 December 2017

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the date the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables.

(b) Property, plant and Equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gain or loss on disposal of an item of property, 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) *Subsequent costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) *Depreciation*

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

- | | |
|--------------------|-----------|
| • office equipment | 2-5 years |
| • vehicles | 2-5 years |

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

3. Significant accounting policies (continued)

(c) Impairment

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults.

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. All individually significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies (continued)

(d) Employee benefits

(i) *Short term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group 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.

(ii) *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(iii) *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 pension plans are recognised as an employee benefit expenses in profit or loss in the periods during which services are rendered by employees.

(e) Revenue and expenses

Revenue

Revenue is presented by each function of the Group namely:

Fundraising revenue

(i) *Donations and sponsorship*

Revenue from donations and sponsorship are recognised on receipt or agreed commitment.

(ii) *Fundraising events and other fundraising activities*

Revenue from fundraising events and other fundraising activities are recognised on the completion of the events or on receipt.

Sports and program income

Sports and program income are recognised when the program is completed.

When programmes are supported by Government and Non-government grants, such grants are initially recognised as a liability (unearned income), and revenue is recognised as programs are performed or conditions fulfilled.

Program support and administration

Program support and administration revenues are recognised when received or when the agreed commitment is fulfilled.

3. Significant accounting policies (continued)

(e) Revenue and expenses (continued)

Expenses

Expenses are presented by each function of the Group namely:

- (i) *Fundraising expense*
Fundraising expenses are recognised when the event is completed or a commitment is made.
- (ii) *Sports and programs expenses*
Sports and program expenses are recognised when the program is completed.
- (iii) *Program support and administration*
Program support and administration expenses are recognised when paid or when a commitment is made.
- (iv) *Employee benefit expenses*
Employee benefit expenses are allocated across fundraising, sport and program support functions.

(f) Income tax

The parent entity is exempt from income tax under section 50-5 of the Income Tax assessment Act 1997. However, should the activities change from its dominant purpose the Australian Taxation Office may review the situation.

Further, Special Olympics Soar and Roar Pty Ltd, 100% subsidiary of Special Olympics Australia, is a profit making company and hence would be liable to pay tax. The tax expense is recognised in profit and loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Special Olympics Australia

Notes to accounts (continued)

For the year ended 31 December 2017

4. Fundraising revenue

| <i>In AUD</i> | 2017 | 2016 |
|-----------------------------------------------------|------------------|------------------|
| Donations and sponsorships | 611,802 | 537,465 |
| Fundraising events and other fundraising activities | <u>2,261,651</u> | <u>2,416,583</u> |
| | <u>2,873,453</u> | <u>2,954,048</u> |

5. Sports and program income

| <i>In AUD</i> | 2017 | 2016 |
|--------------------------------------|------------------|------------------|
| Participation and competition income | 1,255,921 | 1,291,273 |
| Government grant | 728,706 | 885,631 |
| Non-government grant | <u>193,468</u> | <u>182,405</u> |
| | <u>2,178,095</u> | <u>2,359,309</u> |

6. Programs support and administration

| <i>In AUD</i> | 2017 | 2016 |
|-----------------|----------------|----------------|
| Athletes fees | 311,724 | 219,229 |
| Interest income | 34,428 | 46,575 |
| Sundry income | <u>11,054</u> | <u>33,790</u> |
| | <u>357,206</u> | <u>299,594</u> |

7. Fundraising expenses

| <i>In AUD</i> | 2017 | 2016 |
|-----------------------------------------------------|------------------|------------------|
| Fundraising events and other fundraising activities | <u>1,246,503</u> | <u>1,071,368</u> |
| | 1,246,503 | 1,071,368 |
| Fundraising expenses – employment costs | <u>336,545</u> | <u>522,284</u> |
| | <u>1,583,048</u> | <u>1,593,652</u> |

8. Employee benefit expenses

| <i>In AUD</i> | 2017 | 2016 |
|-------------------------|------------------|------------------|
| Wages and salaries | 1,670,173 | 2,046,880 |
| Superannuation | 129,126 | 145,022 |
| Other employee expenses | <u>92,877</u> | <u>67,265</u> |
| | <u>1,892,176</u> | <u>2,259,167</u> |

Special Olympics Australia

Notes to accounts (continued)

For the year ended 31 December 2017

9. Cash and cash equivalents

| <i>In AUD</i> | 2017 | 2016 |
|----------------------------------------------------------|------------------|------------------|
| Cash at bank | 2,073,090 | 1,125,505 |
| Term deposit | 1,348,365 | 1,586,630 |
| Petty cash | 963 | 6,288 |
| Cash and cash equivalents in the statement of cash flows | <u>3,422,418</u> | <u>2,718,423</u> |

10. Receivables

| <i>In AUD</i> | 2017 | 2016 |
|--------------------------|----------------|---------------|
| Current | | |
| Receivables | 517,519 | 97,682 |
| Allowance for impairment | (22,470) | (3,550) |
| | <u>495,049</u> | <u>94,132</u> |

The movement for the allowance for impairment of receivables during the year was as follows:

| <i>In AUD</i> | 2017 | 2016 |
|--------------------------------------|---------------|--------------|
| Balance at 1 January | 3,550 | - |
| Provision recognised during the year | 18,950 | 3,550 |
| Balance at 31 December | <u>22,470</u> | <u>3,550</u> |

11. Property, plant and equipment

| <i>In AUD</i> | Office equipment |
|---------------------------------|------------------|
| Cost | |
| Balance at 1 January 2017 | 206,670 |
| Additions | 493 |
| Balance at 31 December 2017 | <u>207,163</u> |
| Accumulated depreciation | |
| Balance at 1 January 2017 | 139,545 |
| Depreciation for the year | 22,835 |
| Balance at 31 December 2017 | <u>162,380</u> |
| Carrying amounts | |
| At 1 January 2017 | 67,125 |
| At 31 December 2017 | <u>44,783</u> |

Depreciation expense recognised is included in 'programs support and administration' in the statement of profit or loss and comprehensive income.

Special Olympics Australia

Notes to accounts (continued)

For the year ended 31 December 2017

12. Prepayments

In AUD

Current

Prepayments related to National Games 2018
Prepayments- Other

| | 2017 | 2016 |
|--|------------------|----------------|
| | 1,059,167 | - |
| | 60,139 | 106,153 |
| | <u>1,119,306</u> | <u>106,153</u> |

Non-Current

Prepayments related to National Games 2018

| | | |
|--|----------|----------------|
| | - | 146,021 |
| | <u>-</u> | <u>146,021</u> |

13. Trade and other payables

In AUD

Current

Trade and other payables

| | 2017 | 2016 |
|--|----------------|----------------|
| | 363,876 | 202,406 |
| | <u>363,876</u> | <u>202,406</u> |

14. Unearned income

In AUD

Current

Reciprocal government and non-government grants to be acquitted
Other income received in advance

| | | |
|--|------------------|----------------|
| | 561,526 | 605,584 |
| | 2,233,682 | 330,527 |
| | <u>2,795,208</u> | <u>936,111</u> |

Non-current

Other income received in advance

| | | |
|--|----------|---------------|
| | - | 50,000 |
| | <u>-</u> | <u>50,000</u> |

15. Employee benefits

In AUD

Current

Liability for annual leave
Liability for long service leave

| | 2017 | 2016 |
|--|----------------|----------------|
| | 110,895 | 87,349 |
| | 19,831 | 17,402 |
| | <u>130,726</u> | <u>104,751</u> |

Non-current

Liability for long service leave

| | | |
|--|---------------|---------------|
| | <u>47,840</u> | <u>34,163</u> |
|--|---------------|---------------|

Special Olympics Australia

Notes to accounts (continued)

For the year ended 31 December 2017

16. Related parties

a) Key management personnel compensation

Key management personnel ("KMP") are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly, and include the Directors, executive and non-executive as well as certain other senior executives.

The totals of remuneration of the KMP of the Group are as follows:

| <i>In AUD</i> | 2017 | 2016 |
|------------------------------|----------------|----------------|
| Short term employee benefits | 576,567. | 809,971 |
| Post-employment benefits | 47,055 | 55,689 |
| Other long term benefits | 7,918 | 2,114 |
| Total KMP remuneration | <u>631,540</u> | <u>867,674</u> |

Short term employee benefits

Short term employee benefits include fees and benefits paid to the executive directors and other KMP. Non-executive directors are volunteers and did not receive any salary, fringe benefits or cash bonuses.

Post-employment benefits

Post-employment benefits are the cost of superannuation contributions made during the year.

Other long term benefits

Other long term benefits represent long service leave accrued during the year. There were no long term annual leave benefits recognised during the year.

b) Other related party transactions

Special Olympics Soar and Roar Pty Ltd

On 23 May 2017, Special Olympics Australia acquired 100% of the shares and voting interests in Special Olympics Soar and Roar Pty Limited (formerly known as Special Olympics Australia Dream Ride Pty Limited) which was a special purpose vehicle established to operate the Soar and Roar event (Formerly known as Dream Ride event).

A Funding Agreement exists between Special Olympics Australia and Special Olympics Soar and Roar Pty Limited such that Special Olympics Australia collected an amount of \$175,313 on behalf of Soar and Roar Pty Limited and transferred this amount to Soar and Roar event (formerly known as Dream Ride event) to operate the event.

Related Party – Employment

During the year, David Swaine, spouse of Board Member Nicole Swaine was offered employment as a Volunteer Manager for the National Games 2018 to be held in April, for a period of 6 months. The employment contract has been drawn up on terms equivalent to those prevailing in an arm's length transaction.

17. Events after the reporting date

There have been no events subsequent to reporting date which would have a material effect on the Group's financial statements at 31 December 2017.

18. Fundraising activities

Below is additional financial information for the year ended 31 December 2017 furnished under the Charitable Fundraising Act (NSW) 1991 and the Office of Liquor, Gaming and Racing Fundraising Authority conditions.

(a) Details of aggregate gross income and total expenses of fundraising appeals

| <i>In AUD</i> | 2017 | 2016 |
|---------------------------------------------------------------------|------------------|------------------|
| Revenue recognised from donations, and other fundraising activities | 2,873,453 | 2,954,048 |
| Total cost of donations, and other fundraising activities | (1,583,048) | (1,593,652) |
| Net surplus from fundraising appeals | <u>1,290,405</u> | <u>1,360,396</u> |

(b) Application of funds for charitable purposes

During 2017, the Group achieved a net surplus of \$1,290,405 (2016: of \$1,360,396) from fundraising appeals and donations. The surplus was utilised to fund the deficit on sports programs and program support for providing sport opportunities for people with intellectual disabilities.

19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary:

| Name | Ownership Interest |
|-------------------------------------------------------------------------------------------------------------|---------------------------|
| Special Olympics Soar and Roar Pty Ltd (Formerly known as Special Olympics Australia Dream ride Pty Ltd) | 100% |

20. Parent entity information

Set out below is the supplementary information about the parent entity

Statement of profit or loss and other comprehensive income

| | Company | |
|----------------------------|----------------|----------------|
| | 2017 | 2016 |
| Surplus | 115,515 | 121,373 |
| Total comprehensive income | <u>115,515</u> | <u>121,373</u> |

Statement of financial position

| | Company | |
|---------------------|------------------|------------------|
| | 2017 | 2016 |
| Current assets | 4,996,522 | 2,914,437 |
| Total assets | <u>5,041,305</u> | <u>3,127,583</u> |
| Current liabilities | 3,245,944 | 1,141,627 |
| Total liabilities | <u>3,293,785</u> | <u>1,321,711</u> |
| Equity | <u>1,747,520</u> | <u>1,807,338</u> |

Special Olympics Australia

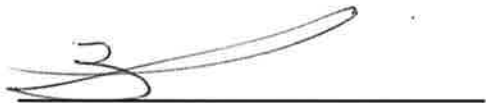
Directors' declaration

For the year ended 31 December 2017

In the opinion of the directors of Special Olympics Australia (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 9 to 24 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view in all respects of the Company's financial position as at 31 December 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; 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.
- (d) the provision of the *Charitable Fundraising Act (NSW) 1991* and the Regulations under the Act and the conditions attached to the authority have been complied with.
- (e) the provision of the *WA Charitable Collections Act 1946* and the Regulations under the Act and the conditions attached to the authority have been complied with.

Signed in accordance with a resolution of directors.



Cameron Brownjohn



Shaun Fraser

Director

Dated at Sydney 2 May 2018

Special Olympics Australia

Declaration by Director in respect of fundraising appeals

I, Cameron Brownjohn, Director of Special Olympics Australia, declare in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Special Olympics Australia with respect to fundraising appeal activities for the financial year ended 31 December 2017;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2017;
- (c) the provisions of the *Charitable Fundraising Act (NSW) 1991* and Regulations and the conditions attached to the authority have been complied with for the financial year ended 31 December 2017; and
- (d) the internal controls exercised by Special Olympics Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Cameron Brownjohn

Dated at Sydney

2 May 2018

Special Olympics Australia

Declaration by Director in respect of Office Bearer's Statement

I, Cameron Brownjohn, Director of Special Olympics Australia, declare in my opinion:

Statement of Accounts

- 1 The accounts give a true and fair view of all income and expenditure of the licence holder as at the end of the financial year and of the results of its operations and its cash flows for the financial year.
- 2 The Statement of Financial Position gives a true and fair view of the state of affairs of the licence holder as at the end of the financial year.
- 3 The Statement of Comprehensive Income is sufficiently detailed to enable identification of all charitable collections received and the manner in which the collections have been dealt with.
- 4 Fundraising expenses (i.e. salaries, wages, commissions and any professional fundraising fees) are disclosed separately in the accounts.

Financial Control Requirements

- 5 The internal controls of the licence holder are appropriate and effective in accounting for all income received.
- 6 Receipts are completed for all monies received.
- 7 All income and expenditure is in accordance with the objectives of the licence holder.
- 8 As at the date of this statement, the licence holder will be able to pay its debts as and when they fall due.

Requirements of the Charitable Collections Act, (1946) and the Charitable Collections Regulations (1947)

- 9 The license holder has compiled with the requirements of the *Charitable Collections Act (1946)*.
- 10 The financial management and fund raising activities of the license holder have been conducted in accordance with, but have not been limited to, the following provisions of the *Charitable Collections regulations (1947)*.
 - (a) All monies received are banked within seven (7) days of receipt in accordance with regulation 11(1);
 - (b) All monies received from collectors and fundraisers are paid to the licence holder within fourteen (14) days of receipt in accordance with regulation 11(2) of the Regulations;
 - (c) An asset register has been maintained in accordance with regulation 11(3);
 - (d) Every bank account is operated by two (2) officers of the organisation in accordance with regulation 11(4); and
 - (e) Investments are in accordance with regulation 16 of the Charitable Collections Amendment Regulations (1998)



Cameron Brownjohn

Dated at Sydney 2 May 2018



Independent Auditor's Report

To the Directors of Special Olympics Australia

Qualified Opinion

We have audited the **Financial Report**, of the Special Olympics Australia (the Company).

In our opinion except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. 6 Consolidated statement of financial position as at 31 December 2017.
- ii. Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.
- v. Declaration by the Chief Executive Officer in respect of fundraising appeals of the Company.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Qualified opinion

Receipt of donations and fundraising activities

Fundraising revenue in the form of cash donations are a significant source of fundraising revenue for the Group. The Group has determined that it is not practicable to maintain controls over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence

available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations was restricted to the amounts recorded in the financial records.

We therefore are unable to express an opinion whether the cash donations to the Group, reported in the accompanying Financial Report is complete.

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 Group in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosures Requirements* and the ACNC.
- ii. Preparing the Financial Report in accordance with *Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations* and with *Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947 the Acts and Regulations*.
- iii. Implementing necessary internal control 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.
- iv. Assessing the Group's ability to continue as a going concern related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

- ii. 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. They 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 this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

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

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion, except for the possible effects of matter described in the basis for qualified opinion paragraph:

- i. the Financial Report gives a true and fair view of the Group's financial result of fundraising appeal activities for the financial year ended 31 December 2017;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2017 to 31 December 2017, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 January 2017 to 31 December 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph the Group has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 31 December 2017.



KPMG



Cameron Roan

Partner

Sydney

2 May 2018