

Special Olympics Australia

ABN 28 050 738 728

Annual Report

31 December 2016

Special Olympics Australia

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Special Olympics Australia

Directors' report

For the year ended 31 December 2016

The directors present their report together with the consolidated financial statements of the Group comprising of Special Olympics Australia (the Company) and its subsidiary for the financial year ended 31 December 2016 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:

Nigel Milan AM GAICD (Chairman)

Nigel has had a long and distinguished career in television and broadcasting, in both the public and private sectors, in Australia and New Zealand. Nigel has also held CEO roles in service delivery organisations and has sat on the Board of numerous not for profit, Government and private organisations. Nigel has been the chairman of Special Olympics Australia since 2014 and brings to the Special Olympics Australia Board his vast governance experience. Nigel aims to tap into his area of knowledge to support Special Olympics Australia.

Appointed on 9 July 2012.

Ceased 30 November 2016.

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 has completed a long career in the areas of public affairs, public profile management, policy analysis and government relations, and 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. Now "retired" Michael believes "Special Olympics Australia provides and nourishes an important set of opportunities in the sport and recreational arenas enabling people with an intellectual disability and our supportive volunteer to thrive and grow and sustain networks and skills that were unheard of 20-30 years ago." Michael is a member of the Finance and Audit committee.

Appointed on 9 July 2012.

Benjamin James 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.

Special Olympics Australia

Directors' report

For the year ended 31 December 2016

1. Directors (continued)

Irena Reiss

Irena is a practicing lawyer with an extensive career having provided high level commercial advice and dispute resolution services to a broad client base including the corporate, private and public sectors. Irena has a demonstrated understanding of the needs of people with an intellectual disability having served at an executive regional level and as a parent of a Special Olympics Athlete. Irena's passion for Special Olympics Australia is driven by a long standing commitment to human rights, social responsibility and cultural diversity. This combined with Irena's diverse networks and legal skills places her in a unique position to represent and help empower people with intellectual disabilities. Irena was a member of Finance and Audit committee from July 2015 to April 2016.

Appointed on 30 May 2015.

Anna-Louise Kassulke

Anna-Louise is the Service Manager for 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 consultancy business. Previously she held senior management and executive roles and has been integral in managing stakeholder and client relationships as well as business and team leadership and performance with a particular focus on positivity, fairness and diversity. Allison is passionate about the key mission and purpose of the 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.

Appointed 17 February 2016.

Megan Lavender

Megan is an experienced director having served on a number of Boards including corporate, government and Not for Profits. Her experience spans marketing, consulting, public relations and corporate affairs and sporting organisations. Megan is a member of AIM, AICD and has served as a Ministerial Advisor to the Australian Minister for Sport, Minister for Tourism and Minister Assisting the Prime Minister for the Sydney 2000 Games.

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 is a member of the Finance and Audit committee

Appointed 29 April 2016.

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

Special Olympics Australia

Directors' report

For the year ended 31 December 2016

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
Nigel Milan	4	5		
Cameron Brownjohn	5	5	3	4
Michael Hogan*	3	5	1	2
Benjamin Haack	4	5		
Shaun Fraser	5	5	4	4
Irena Reiss*	5	5	2	2
Anna-Louise Kassulke	4	5		
Allison O'Shea*	5	5		
Megan Lavender*	3	4		
Nicole Swaine*	3	4	2	2
Ruby Lawler*	1	1		

A - Number of meetings attended

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

* Michael Hogan appointed as Finance and Audit Committee on 29 April 2016

* Irena Reiss ceased from Finance and Audit Committee on 29 April 2016

* Allison O'Shea appointed 17 February 2016

* Megan Lavender appointed 29 April 2016

* Nicole Swaine appointed 29 April 2016

* Ruby Lawler appointed 04 November 2016

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.

2016 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 2016, 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.

Special Olympics Australia

Directors' report

For the year ended 31 December 2016

4. Objectives and strategies (continued)

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 surplus of the Company for the year ended 31 December 2016 was \$124,794 (2015: \$108,745). The result was impacted by a reversal of \$179,509 accrued expenses which were related to the 2013 Asia Pacific Games.

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

The year ended 31 December 2016 was the first year after the cancellation of the gift voucher program. The discontinuance of the gift voucher program was based on a detailed review of its fundraising activities. The Company is now focused on fundraising activities that drive long-term sustainability which integrate with the Company's new strategy. The cancellation of this program is the key reason for the decline in fundraising revenue and fundraising expense in 2016.

On 23 May 2016, the Company acquired 100% of the shares and voting interests in Special Olympics Dream Ride Pty Limited ("Dream Ride Pty Limited") which was a special purpose vehicle set up to manage the Dream Ride event. A Funding Agreement between Special Olympics Australia and Dream Ride Pty Limited confers that all revenues flow in to Special Olympics Australia while Dream Ride Pty Limited contains all costs and manages the Dream Ride event.

In the opinion of the directors, other than the above, 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 2016 (2015: nil). Section 254SA of the *Corporations Act 2001* prohibits Companies Limited by Guarantee to pay any dividends.

10. Events subsequent to reporting date

Subsequent to year end, the Australian Taxation Office confirmed that there is no GST liability in relation to the gift voucher program that ceased in October 2015.

Other than the event noted above, 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.

Special Olympics Australia

Directors' report

For the year ended 31 December 2016

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.

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 2016 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 2016. 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

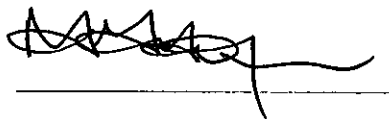
The Company is a company limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. The number of members is 48 as at 31 December 2016 (2015: 61). The total amount that members of the Company are liable to contribute if the Company is wound up is \$ 4,800 (2015: \$6,100).

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 2016. This report is made in accordance with a resolution of the directors:



Director



Director

Dated at Sydney this 26 day of April 2017



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 2016 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

KPMG

Cameron Roan

Partner

Sydney

26 April 2017

Special Olympics Australia

Consolidated statement of profit or loss and comprehensive income

For the year ended 31 December 2016

<i>In AUD</i>	Note	2016	2015
Revenue			
Fundraising revenue	4	2,954,048	6,810,719
Sports and program income	5	2,359,309	2,272,003
Programs support and administration	6	299,594	262,020
		<u>5,612,951</u>	<u>9,344,742</u>
Expenses			
Fundraising expenses	7	(1,593,652)	(5,424,936)
Sports and program expenses		(2,679,061)	(2,515,811)
Programs support and administration		(1,393,487)	(1,301,064)
Reversal of 2013 Asia Pacific Games' trade creditors		179,509	5,814
		<u>(5,486,691)</u>	<u>(9,235,997)</u>
Surplus before tax		126,260	108,745
Tax expense	3(f)	(1,466)	-
Surplus for the year		<u>124,794</u>	<u>108,745</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>124,794</u>	<u>108,745</u>

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

Special Olympics Australia

Consolidated statement of financial position

For the year ended 31 December 2016

<i>In AUD</i>	Note	2016	2015
Assets			
Cash and cash equivalents	9	2,718,423	2,867,934
Receivables	10	94,132	180,744
Other assets		6,336	37,969
Prepayments		106,153	77,897
Total current assets		<u>2,925,044</u>	<u>3,164,544</u>
Property, plant and equipment	11	67,125	14,123
Prepayments		146,021	-
Total non-current assets		<u>213,146</u>	<u>14,123</u>
Total assets		<u>3,138,190</u>	<u>3,178,667</u>
Liabilities			
Trade and other payables	12	202,406	423,254
Unearned income	13	936,111	890,722
Employee benefits	14	104,751	136,238
Total current liabilities		<u>1,243,268</u>	<u>1,450,214</u>
Employee benefits	14	34,163	42,488
Unearned income	13	50,000	-
Total non-current liabilities		<u>84,163</u>	<u>42,488</u>
Total liabilities		<u>1,327,431</u>	<u>1,492,702</u>
Net assets		<u>1,810,759</u>	<u>1,685,965</u>
Members' funds		1,810,759	1,685,965
Members' funds		<u>1,810,759</u>	<u>1,685,965</u>

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

Special Olympics Australia

Consolidated statement of changes in members' funds For the year ended 31 December 2016

In AUD

	Members' funds
Balance as at 1 January 2015	<u>1,577,220</u>
Total comprehensive income for the year	
Surplus for the year	108,745
Other comprehensive income	-
Total comprehensive income for the year	<u>108,745</u>
Balance as at 31 December 2015	<u>1,685,965</u>
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	-
Total comprehensive income for the year	<u>124,794</u>
Balance as at 31 December 2016	<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 cash flows

For the year ended 31 December 2016

<i>In AUD</i>	Note	2016	2015
Cash flows from operating activities			
Cash receipts from supporters		4,794,207	8,434,880
Cash receipts from government and non-government grants		1,133,679	1,334,385
Cash paid to suppliers and employees		(6,051,605)	(9,245,106)
Cash generated from/(used in) operations		(123,719)	524,159
Interest received		46,575	44,338
Net cash from/(used in) operating activities		(77,144)	568,497
Cash flows from investing activities			
Acquisition of property, plant and equipment		(72,367)	(10,717)
Net cash used in investing activities		(72,367)	(10,717)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(149,511)	557,780
Cash and cash equivalents at beginning of year		2,867,934	2,310,154
Cash and cash equivalents at end of year	9	2,718,423	2,867,934

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

Special Olympics Australia

Notes to the consolidated financial statements

For the year ended 31 December 2016

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 2016.

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 26 April 2017.

(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 2016 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.

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

2. 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.

3. 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.

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

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.

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

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.

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

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.

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

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.

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

4. Fundraising revenue

<i>In AUD</i>	2016	2015
Gift voucher program	-	4,315,975
Donations and sponsorships	537,465	474,605
Fundraising events and other fundraising activities	2,416,583	2,020,139
	<u>2,954,048</u>	<u>6,810,719</u>

5. Sports and program income

<i>In AUD</i>	2016	2015
Participation and competition income	1,291,273	1,313,083
Government grant	885,631	792,420
Non-government grant	182,405	166,500
	<u>2,359,309</u>	<u>2,272,003</u>

6. Programs support and administration

<i>In AUD</i>	2016	2015
Athletes fees	219,229	185,826
Interest income	46,575	52,752
Sundry income	33,790	23,442
	<u>299,594</u>	<u>262,020</u>

7. Fundraising expenses

<i>In AUD</i>	2016	2015
Gift voucher program - 3rd party selling, data and donor acquisition	-	2,580,786
Gift voucher program - cost of product	-	1,455,994
Gift voucher program - marketing and leasing expenses	-	7,047
Fundraising events and other fundraising activities	1,071,368	825,147
	<u>1,071,368</u>	<u>4,868,974</u>
Fundraising expenses – employment costs	522,284	555,962
	<u>1,593,652</u>	<u>5,424,936</u>

8. Employee benefit expenses

<i>In AUD</i>	2016	2015
Wages and salaries	2,046,880	1,977,388
Superannuation	145,022	150,885
Other employee expenses	67,265	145,127
	<u>2,259,167</u>	<u>2,273,400</u>

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

9. Cash and cash equivalents

<i>In AUD</i>	2016	2015
Cash at bank	1,125,505	1,274,917
Term deposit	1,586,630	1,584,485
Petty cash	6,288	8,532
Cash and cash equivalents in the statement of cash flows	<u>2,718,423</u>	<u>2,867,934</u>

10. Receivables

<i>In AUD</i>	2016	2015
Current		
Receivables	97,682	180,744
Allowance for impairment	(3,550)	-
	<u>94,132</u>	<u>180,744</u>

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

<i>In AUD</i>	2016	2015
Balance at 1 January	-	17,250
Amounts reversed for during the year	-	(17,250)
Provision recognised during the year	3,550	-
Balance at 31 December	<u>3,550</u>	<u>-</u>

11. Property, plant and equipment

<i>In AUD</i>	Office equipment
Cost	
Balance at 1 January 2016	159,249
Additions	72,367
Disposals	(24,946)
Balance at 31 December 2016	<u>206,670</u>
Accumulated depreciation	
Balance at 1 January 2016	145,126
Depreciation for the year	19,365
Disposals	(24,946)
Balance at 31 December 2016	<u>139,545</u>
Carrying amounts	
At 1 January 2016	<u>14,123</u>
At 31 December 2016	<u>67,125</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 the consolidated financial statements (continued)

For the year ended 31 December 2016

12. Trade and other payables

In AUD

Current

	2016	2015
Trade and other payables	202,406	225,922
Asia Pacific Games payables	-	197,332
	<u>202,406</u>	<u>423,254</u>

13. Unearned income

In AUD

Current

	2016	2015
Reciprocal government and non-government grants to be acquitted	605,584	579,876
Other income received in advance	330,527	310,846
	<u>936,111</u>	<u>890,722</u>

Non-current

Other income received in advance	50,000	-
	<u>50,000</u>	<u>-</u>

14. Employee benefits

In AUD

Current

	2016	2015
Liability for annual leave	87,349	136,238
Liability for long service leave	17,402	-
	<u>104,751</u>	<u>136,238</u>

Non-current

Liability for long service leave	34,163	42,488
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15. 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:

In AUD

	2016	2015
Short term employee benefits	767,235	710,647
Post-employment benefits	55,689	62,844
Other long term benefits	2,114	3,511
Termination benefits	42,636	-
Total KMP remuneration	<u>867,674</u>	<u>777,002</u>

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

Related parties (continued)

a) Key management personnel compensation (continued)

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

On 23 May 2016, Special Olympics Australia acquired 100% of the shares and voting interests in Special Olympics Dream Ride Pty Limited ("Dream Ride Pty Limited") which was a special purpose vehicle established to operate the Dream Ride event.

A Funding Agreement exists between Special Olympics Australia and Dream Ride Pty Limited such that Special Olympics Australia collected an amount of \$187,161 on behalf of Dream Ride Pty Limited and transferred this amount to Dream Ride to operate the event.

16. Events after the reporting date

Subsequent to year end, the Australian Taxation Office confirmed that there is no GST liability in relation to the gift voucher program that ceased in October 2015.

Other than the event noted above, 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.

17. Fundraising activities

Below is additional financial information for the year ended 31 December 2016 furnished under the Charitable Fundraising Act (NSW) 1991 and the Office of Liquor, Gaming and Racing Fundraising Authority conditions. It is noted that the Australian Taxation Office has confirmed that there is no GST liability in relation to the gift voucher program that ceased in October 2015.

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

<i>In AUD</i>	2016	2015
Revenue recognised from gift voucher program, donations, and other fundraising activities	2,954,048	6,810,719
Total cost of gift voucher program, donations, and other fundraising activities	(1,593,652)	(5,424,936)
Net surplus from fundraising appeals	1,360,396	1,385,783
Net margin from fundraising activities	46%	20%

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

17. Fundraising activities (continued)

On 25 August 2015, Special Olympics Australia Board resolved to cease the gift voucher program based on a detailed review of its fundraising activities. Special Olympics Australia will now focus on fundraising activities that drive long-term sustainability which integrate with Special Olympics Australia's new strategy.

Net margin from fundraising activities when adjusted for the impact of the gift voucher program on revenue and costs is as follows:

<i>In AUD</i>	2016	2015
Revenue recognised from fundraising appeals, events and donations (excluding gift voucher program)	2,954,048	2,494,744
Total cost of fundraising appeals, events and donations (excluding gift voucher program)	<u>(1,593,652)</u>	<u>(1,381,109)</u>
Net surplus from fundraising appeals (excluding gift voucher program)*	1,360,396	1,113,635
Net margin from fundraising activities (excluding gift voucher program)*	46%	45%

* The above includes the total costs of fundraising activities (excluding gift voucher program). If employment related costs relating to fundraising appeals, events and donations are excluded, the net margin from fundraising activities (excluding gift voucher program) is 64% (2015: 67%).

(b) Application of funds for charitable purposes

During 2016, the Group achieved a net surplus of \$1,360,396 (2015: \$1,385,783) 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.

(c) Comparison of certain monetary figures and percentages

Comparison of certain monetary figures and percentages	2016	2016	2015	2015
	\$		\$	
Direct cost of fundraising/ Gross Income from fundraising	1,593,652	54%	5,424,936	80%
	2,954,048		6,810,719	
Net surplus from fundraising/ Gross Income from fundraising	1,360,396	46%	1,385,783	20%
	2,954,048		6,810,719	
Total cost of services/ Total expenditure	3,893,039	71%	3,811,061	41%
	5,486,691		9,235,997	
Total cost of services/ Total income received	3,893,039	69%	3,811,061	41%
	5,612,951		9,344,742	

Special Olympics Australia

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2016

18. Interests in subsidiaries

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

Name	Ownership Interest
Special Olympics Dream Ride Pty Ltd	100%

19. Parent entity information

The Parent entity is Special Olympics Australia Limited. Set out below is the supplementary information about the parent entity:

Statement of profit or loss and other comprehensive income

	Company	
	2016	2015
Profit after income tax	121,373	108,745
Total comprehensive income	121,373	108,745

Statement of financial position

	Company	
	2016	2015
Current assets	2,914,437	3,164,544
Total assets	3,127,583	3,178,667
Current liabilities	1,141,627	1,450,214
Total liabilities	1,321,711	1,492,702
Equity	1,807,338	1,685,965

Special Olympics Australia

Directors' declaration

For the year ended 31 December 2016

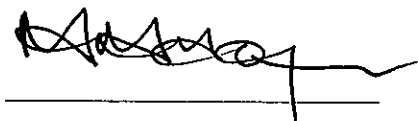
In the opinion of the directors of Special Olympics Australia (the Company):

- (a) the Company is not publicly accountable;
- (b) the consolidated 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 Group's financial position as at 31 December 2016 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.



Director:



Director:

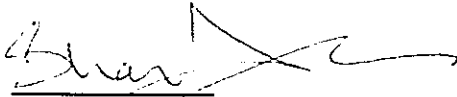
Dated at Sydney 26 April 2017

Special Olympics Australia

Declaration by Director in respect of fundraising appeals

I, Shaun Fraser, 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 2016;
- (b) the consolidated 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 2016;
- (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 2016; 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.



Director:

Dated at Sydney

26 April 2017

Special Olympics Australia

Declaration by Director in respect of Office Bearer's Statement



I, ~~Shawn Fraser~~ Director of Special Olympics Australia, declare in my opinion:

Statement of Accounts


- 1 The consolidated financial statements 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 Consolidated 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 Consolidated 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 complied 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)



Director:

Dated at Sydney 26 April 2017



Independent Auditor's Report

To the Directors of Special Olympics Australia

Report on the audit of the Financial Report

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 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 2016, 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 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- (i) Consolidated statement of financial position as at 31 December 2016.
- (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 generated at a club level 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 are 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. This includes disclosing, as applicable, matters 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.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- (i) Identifying and assessing 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) Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- (iv) Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors committee members.
- (v) Concluding 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 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) Evaluating 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.

Report on Other Legal and Regulatory Requirements

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 2016;
- (ii) the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2016 to 31 December 2016, 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 2016 to 31 December 2016 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 2016.



KPMG



Cameron Roan

Partner

Sydney

26 April 2017