

**Big Brothers Big Sisters Australia
Limited**

ACN 071 682 294

**Annual financial report
for the year ended 30 June 2017**

Big Brothers Big Sisters Australia Limited ACN 071 682 294
Annual financial report - 30 June 2017

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Your directors present their report on Big Brothers Big Sisters Australia Limited (the "Company") for the year ended 30 June 2017.

Directors

The following persons were directors of Big Brothers Big Sisters Australia Limited during the whole of the financial year and up to the date of this report:

Mr Tim Cox (Chair)
 Mr Geoffrey Lynch (Deputy Chair)
 Mr David McEvoy
 Ms Anika McManus
 Ms Maria O'Connor
 Mr Glen Willis
 Mr John Cracknell
 Ms Vicki Young
 Ms Cynthia Batchelor
 Mr David Hackett (Resigned during the year)

Meetings of directors

| | Eligible to attend | Attended |
|----------------------------------|---------------------------|-----------------|
| Mr Tim Cox (Chair) | 7 | 7 |
| Mr Geoffrey Lynch (Deputy Chair) | 7 | 6 |
| Mr David McEvoy | 7 | 6 |
| Ms Anika McManus | 7 | 6 |
| Ms Maria O'Connor | 7 | 5 |
| Mr Glen Willis | 7 | 3 |
| Mr John Cracknell | 7 | 5 |
| Ms Vicki Young | 5 | 4 |
| Ms Cynthia Batchelor | 3 | 2 |
| Mr David Hackett (Resigned) | 3 | 3 |

Short and long term objectives of the organisation

Big Brothers Big Sisters Australia Limited has been working towards delivering on a long term strategic objective to strengthen organisational capability to grow mentoring in Australia to meet demand with the ultimate aim of mentoring more vulnerable young people.

This has required a transformation of the traditional organisational structure of Big Brothers Big Sisters Australia Limited whilst staying true to our vision of unlocking the potential of vulnerable young people through the provision of high quality mentoring programs.

Our longer term Strategic Objectives this year included the:

- Finalisation of the restructure of Big Brothers Big Sisters Australia from a national governance body (overseeing the work of program delivery partners that funded and delivered BBBS programs) to funding and delivering programs across Australia directly
- Diversification of Big Brother Big Sisters mentoring programs to include in-school mentoring and e-mentoring to complement the traditional one-to-one mentoring model.
- Investment from major multi-year supporters to ensure the long term sustainability of the organisation
- Increase the number of vulnerable young people mentored
- Reduction of the average cost per mentor match through efficiency gains without compromising safety and quality.

Principal activities

The principal activities of the Company during the financial year were as a community services organisation.

During the year the Company continued to act as a trustee of the Big Brothers Big Sisters Australia Foundation.

Our organisational activities:

- Screening and training of mentors and supervision of matches in order to achieve long term positive outcomes for young people.
- Development and documentation of standards processes and policies to ensure mentoring programs are best practice and are delivered safely and consistently.
- Oversight of all Big Brothers Big Sisters programs in Australia to ensure processes are being followed and best practice shared.

Review of operations

The loss from ordinary activities after income tax amounted to \$101,215 (2016 loss: \$134,833).

Dividends - Big Brothers Big Sisters Australia Limited

No dividends have been paid during the financial year. The directors do not recommend that a dividend be paid in respect of the financial year (2016: \$nil).

Share capital

Big Brothers Big Sisters Australia Limited is a company limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company in the event of the Company being wound up while they are a member, or within one year after they cease to be a member, for payments of all debts and liabilities contracted before the time they cease to be a member, and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such an amount as may be required, not exceeding \$100.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Event since the end of the financial year

In order to address a shortfall in the Company's cash position at 30 June 2017, since the end of the financial year, the Company has raised \$434,000 of "sustainability" funding, of which \$299,000 has been received and the balance of \$135,000 will be received before the end of the 2018 financial year. This funding is in addition to business as usual funding.

Likely developments and expected results of operations

There are no major changes foreseen at this moment of time. Development and results from operations are expected to be in line with the markets the Company is active in.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

Insurance of officers and indemnities

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 30 June 2017 and since the financial year, the Company has agreed to pay premiums in respect of such insurance contracts for the year ending 30 June 2018. 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 4.

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

Mr Tim Cox
Director

Melbourne
20 November 2017



Auditor's Independence Declaration

As lead auditor for the audit of Big Brothers Big Sisters Australia Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Charles Christie'.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
20 November 2017

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Big Brothers Big Sisters Australia Limited
Statement of comprehensive income
For the year ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|----------------------|----------------------|
| Revenue from continuing operations | 3 | 1,425,560 | 1,212,582 |
| Employee benefits expense | | (1,161,398) | (1,000,404) |
| Depreciation and amortisation expense | | (20,865) | (32,589) |
| Impairment of intangibles | | (55,897) | - |
| Administration expenses | | (288,615) | (314,422) |
| (Loss) before income tax | | <u>(101,215)</u> | <u>(134,833)</u> |
| Income tax expense | | - | - |
| (Loss) for the year | | <u>(101,215)</u> | <u>(134,833)</u> |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive (loss) for the year | | <u>(101,215)</u> | <u>(134,833)</u> |
| (Loss) is attributable to: | | | |
| Members of Big Brothers Big Sisters Australia Limited | | <u>(101,215)</u> | <u>(134,833)</u> |
| Total comprehensive (loss) for the year is attributable to: | | | |
| Members of Big Brothers Big Sisters Australia Limited | | <u>(101,215)</u> | <u>(134,833)</u> |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Big Brothers Big Sisters Australia Limited
Statement of financial position
As at 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|--------------------------------------|-------|------------------|-----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 97,039 | 137,864 |
| Trade and other receivables | 5 | 51,705 | 29,370 |
| Total current assets | | 148,744 | 167,234 |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 1,401 | 2,143 |
| Intangible assets | 7 | - | 55,897 |
| Total non-current assets | | 1,401 | 58,040 |
| Total assets | | 150,145 | 225,274 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 319,681 | 271,997 |
| Provisions | 9 | 21,751 | 36,099 |
| Total current liabilities | | 341,432 | 308,096 |
| Non-current liabilities | | | |
| Provisions | 10 | 7,291 | 14,541 |
| Total non-current liabilities | | 7,291 | 14,541 |
| Total liabilities | | 348,723 | 322,637 |
| Net (liabilities) | | (198,578) | (97,363) |
| EQUITY | | | |
| (Accumulated deficit) | 11 | (198,578) | (97,363) |
| Total (deficiency in equity) | | (198,578) | (97,363) |

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

Big Brothers Big Sisters Australia Limited
Statement of changes in equity
For the year ended 30 June 2017

| | (Accumulated deficit) \$ | Total (deficiency in equity) \$ |
|--|--------------------------------|--|
| Balance at 1 July 2015 | <u>37,470</u> | <u>37,470</u> |
| (Loss) for the year | (134,833) | (134,833) |
| Other comprehensive income | - | - |
| Total comprehensive (loss) for the year | <u>(134,833)</u> | <u>(134,833)</u> |
| Balance at 30 June 2016 | <u>(97,363)</u> | <u>(97,363)</u> |
| Balance at 1 July 2016 | <u>(97,363)</u> | <u>(97,363)</u> |
| (Loss) for the year | (101,215) | (101,215) |
| Other comprehensive income | - | - |
| Total comprehensive (loss) for the year | <u>(101,215)</u> | <u>(101,215)</u> |
| Balance at 30 June 2017 | <u>(198,578)</u> | <u>(198,578)</u> |

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

Big Brothers Big Sisters Australia Limited
Statement of cash flows
For the year ended 30 June 2017

| | Notes | 2017 \$ | 2016 \$ |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of goods and services tax) | | 1,353,784 | 1,279,501 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | <u>(1,394,792)</u> | <u>(1,456,511)</u> |
| | | (41,008) | (177,010) |
| Interest received | | 183 | 1,469 |
| Net cash (outflow) from operating activities | 15 | <u>(40,825)</u> | <u>(175,541)</u> |
| Cash flows from investing activities | | | |
| Payments for intangible assets | | - | (30,240) |
| Net cash (outflow) from investing activities | | <u>-</u> | <u>(30,240)</u> |
| Net (decrease) in cash and cash equivalents | | (40,825) | (205,781) |
| Cash and cash equivalents at the beginning of the financial year | | 137,864 | 343,645 |
| Cash and cash equivalents at the end of the financial year | 4 | <u>97,039</u> | <u>137,864</u> |

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

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1 Summary of significant accounting policies

(a) Reporting entity

Big Brothers Big Sisters Australia Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Suite 5, Level 2 Conference Area, 1 Spring Street, Melbourne VIC 3000. The Company is a not-for-profit company limited by guarantee working to realise the potential of young people through the provision of the highest quality mentoring programs.

Big Brothers Big Sisters Australia Limited is a company limited by guarantee. Every member of the Company undertakes to contribute to the property of the Company in the event of the Company being wound up while they are a member, or within one year after they cease to be a member, for payments of all debts and liabilities contracted before the time they cease to be a member, and of the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves, such an amount as may be required, not exceeding \$100.

In the opinion of the directors, the Company is not publicly accountable nor a reporting entity. The financial report of the Company has been drawn up as a special purpose financial report for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The Company established the Big Brothers Big Sisters Australia Foundation trust on 4 July 2002 and the Company acts as a trustee of the trust.

No liabilities have been incurred on behalf of the trust in the Company's capacity as a corporate trustee during the financial year ended 30 June 2017.

(b) Basis of preparation

(i) Special purpose financial report

The special purpose financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and the recognition and measurement aspects of all applicable Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") which have a material effect.

The financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

AASB 101 *Presentation of Financial Statements*

AASB 107 *Statement of Cash Flows*

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

AASB 1031 *Materiality*

AASB 1048 *Interpretation and Application of Standards*

AASB 1054 *Australian Additional Disclosures*

The financial statements were approved by the Board of Directors on 20 November 2017.

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis.

1 Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

(iii) New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2016 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2016.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars (\$), which is Big Brothers Big Sisters Australia Limited's functional and presentation currency.

(d) Revenue recognition

Sponsorship revenue is recognised upon confirmation of the sponsorship and any conditions are complied with.

Unconditional donations are recognised when the Company is presently entitled to receive them.

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

(e) Income tax

The Company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1 Summary of significant accounting policies (continued)

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Furniture, fittings and equipment 17.25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(j) Intangible assets

Software

Computer software includes the cost of software license purchased and other additional software development costs. Software is recorded at cost and amortised on a straight line basis over its useful life. The estimate useful life for software is 2 to 3 years.

1 Summary of significant accounting policies (continued)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

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

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

1 Summary of significant accounting policies (continued)

(n) Going concern

As at 30 June 2017 the organisation has a negative equity position with a loss for the financial year. During June 2017 and the period post balance sheet date a number of pledges have been received as part of sustainability fundraising to a total of \$449,000. As at 30 June 2017 \$15,000 of this pledged amount has been received with a further \$299,000 received to date of signing.

The ability of the Trust to continue as a going concern is dependent on:

- the receipt of all further pledges within the 2018 financial period; and
- receipt of all grant and donation funding outside of the additional sustainability fundraising currently in place.

After taking into account all available information, the directors have concluded that there are reasonable grounds to believe:

- the organisation will be able to pay their debts as and when they fall due; and
- the basis of preparation of the financial report on a going concern basis is appropriate.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Trust not continue as a going concern.

The directors have formed this view based on a number of factors including:

- the organisation's receipt of pledged donations post balance sheet date;
- the organisation's future receivables of pledged donations post balance sheet date;
- the organisation's cash flow forecasts which support the ability of the organisation to pay its debts as and when they fall due; and
- the continued support of the organisation's current benefactors.

2 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

3 Revenue

The Company derives the following types of revenue:

| | 2017 \$ | 2016 \$ |
|---|------------------|------------------|
| From continuing operations | | |
| Corporate sponsorship | 444,763 | 276,718 |
| Donations | 886,645 | 883,107 |
| Interest received | 183 | 1,469 |
| Government funding | 93,969 | 51,288 |
| Total revenue from continuing operations | 1,425,560 | 1,212,582 |

4 Current assets - Cash and cash equivalents

| | 2017 \$ | 2016 \$ |
|---------------|---------------|----------------|
| Cash on hand | 250 | 400 |
| Bank balances | 96,789 | 137,464 |
| | 97,039 | 137,864 |

5 Current assets - Trade and other receivables

| | 2017 \$ | 2016 \$ |
|-------------------|---------------|---------------|
| Trade receivables | 36,839 | 8,982 |
| Security deposit | 4,900 | 8,567 |
| Prepayments | 8,981 | 8,229 |
| Undeposited funds | 985 | 3,592 |
| | 51,705 | 29,370 |

6 Non-current assets - Property, plant and equipment

| | Furniture, fittings and equipment \$ | Total \$ |
|--------------------------------|---|--------------|
| At 1 July 2016 | | |
| Cost | 17,195 | 17,195 |
| Accumulated depreciation | (15,052) | (15,052) |
| Net book amount | <u>2,143</u> | <u>2,143</u> |
| Year ended 30 June 2017 | | |
| Opening net book amount | 2,143 | 2,143 |
| Depreciation charge | (742) | (742) |
| Closing net book amount | <u>1,401</u> | <u>1,401</u> |
| At 30 June 2017 | | |
| Cost | 17,195 | 17,195 |
| Accumulated depreciation | (15,794) | (15,794) |
| Net book amount | <u>1,401</u> | <u>1,401</u> |

7 Non-current assets - Intangible assets

| | Software \$ | Total \$ |
|---|----------------|---------------|
| At 30 June 2016 | | |
| Cost | 90,984 | 90,984 |
| Accumulated amortisation and impairment | (35,087) | (35,087) |
| Net book amount | <u>55,897</u> | <u>55,897</u> |
| At 30 June 2017 | | |
| Cost | 55,210 | 55,210 |
| Accumulated amortisation and impairment | (55,210) | (55,210) |
| Net book amount | <u>-</u> | <u>-</u> |

8 Current liabilities - Trade and other payables

| | 2017 \$ | 2016 \$ |
|----------------------------|----------------|----------------|
| Trade payables | 37,250 | 9,098 |
| Grants received in advance | 227,949 | 240,422 |
| GST payable | 5,146 | 4,321 |
| PAYG payable | 16,926 | 8,625 |
| Other payables | 32,410 | 9,531 |
| | <u>319,681</u> | <u>271,997</u> |

9 Current liabilities - Provisions

| | 2017 \$ | 2016 \$ |
|----------------------------------|---------------|---------------|
| Employee benefits - annual leave | <u>21,751</u> | <u>36,099</u> |

10 Non-current liabilities - Provisions

| | 2017 \$ | 2016 \$ |
|--|--------------|---------------|
| Employee benefits - long service leave | <u>7,291</u> | <u>14,541</u> |

11 (Accumulated deficit)

Movements in (accumulated deficit) were as follows:

| | 2017 \$ | 2016 \$ |
|-------------------------|------------------|------------------|
| Balance 1 July | (97,363) | 37,470 |
| Net (loss) for the year | <u>(101,215)</u> | <u>(134,833)</u> |
| Balance 30 June | <u>(198,578)</u> | <u>(97,363)</u> |

12 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

PwC Australia

Audit and other assurance services

| | 2017 \$ | 2016 \$ |
|---|------------|------------|
| <i>Audit and other assurance services</i> | | |
| Audit and review of financial statements | - | 7,000 |
| Total remuneration for audit and other assurance services | - | 7,000 |
| Total remuneration of PwC Australia | - | 7,000 |

13 Contingent liabilities and contingent assets

The Company had no contingent liabilities or contingent assets at 30 June 2017 (2016: nil).

14 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

15 Cash flow information

Reconciliation of (loss) after income tax to net cash (outflow) from operating activities

| | 2017 \$ | 2016 \$ |
|--|------------|------------|
| (Loss) for the year | (101,215) | (134,833) |
| Adjustment for | | |
| Depreciation and amortisation | 742 | 32,589 |
| Impairment of intangibles | 55,897 | - |
| Change in operating assets and liabilities: | | |
| (Increase) decrease in trade and other receivables | (22,379) | 35,799 |
| Increase (decrease) in trade and other payables | 47,728 | (124,687) |
| (Decrease) increase in employee benefit provisions | (21,598) | 15,591 |
| Net cash (outflow) from operating activities | (40,825) | (175,541) |

Big Brothers Big Sisters Australia Limited
Directors' declaration
30 June 2017

As stated in note 1(b) to the financial statements, in the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

In the directors' opinion,

- (a) the financial statements and notes set out on pages 5 to 18 are in accordance with the section subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and the Australian Charities and Not-for-profits Commission Regulations 2013 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of directors



Mr Tim Cox
Director

Melbourne
20 November 2017



Independent auditor's report

To the members of Big Brothers Big Sisters Australia Limited

Our qualified opinion

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 Big Brothers Big Sisters Australia Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Company. The directors have determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Company's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in black ink that reads "Charles Christie".

Charles Christie
Partner

Melbourne
20 November 2017