Bravehearts Foundation Limited
ABN 41 496 913 890

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Contents to financial report

Entity's Details

ABN 41 496 913 890
ACN 607 315 917

The registered office of the entity is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

The principal place of business is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

Bravehearts Foundation Limited
ABN 41 496 913 890

DIRECTORS' REPORT

Your directors present this report to the members of the Bravehearts Foundation Limited for the year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Board	Date appointed	Date of cessation	A	B
Hetty Johnston	15/11/2001		9	9
Robert Molhoek	19/06/2015		6	9
Matthew Rennie	19/04/2013	28/07/2016	0	0
Gemma Cook	9/04/2010		9	9
Wilma Robyn James	27/11/2015		9	9
Scott Daniel Chapman	22/06/2016		5	9
Andrew George Hay	19/10/2016		5	7
Sharon Michelle Suzor	7/12/2016		5	6
Keshwar Baboolal	7/12/2016		5	6
Georgina Richters	22/03/2017		2	3

A - Number of meetings attended during the year

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

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

Directors' qualifications, experience and special responsibilities

Name	Qualifications	Experience	Responsibilities
Hetty Johnston	GAICD, FAICGP, JP (Qual)	Hetty is the founder having established Bravehearts in 1996. A woman of passion and determination who has succeeded in highlighting the crime of paedophilia and child sexual assault to media, families, schools and the general community both nationally and internationally. Hetty's accolades include 2015 Queensland Australian of the Year and 2014 Awarded Member of the Order of Australia (AM).	Chair
Robert Molhoek	Queensland State Member	Elected in 2012, Rob is the Queensland State Member for Southport and Deputy Chairman of the Transportation and Utilities. In his last term he was the Assistant Minister for Child Safety and played a key role in reviewing the reforms proposed as a result of the Carmody Commission into Child Safety Practices, before taking on the role of Assistant Minster for Planning Reform. Rob joined the board of Bravehearts in September 2004.	
Matthew Rennie	Bachelor of Economics, Graduate Diploma of Applied Finance, Masters of Economics (research)	Matt is a senior EY Partner, serving as Global Leader of Sectors in EY's Transactions business, and Global Transactions leader for EY Power and Utilities. These roles include the development and broadening of EY's service offerings in both developed and emerging markets around the world.	
Gemma Cook	Bachelor of Commerce, Graduate Diploma of Chartered Accounting	Gemma is a Associate Director in the Business Services division of Bentleys, with over 15 years of experience in the accounting profession. Her career includes experience in primary production, medical practice and a range of service entities including retail and construction.	Treasurer
Wilma Robyn James	Bachelor of Business - Management and HR Management and Graduate Diploma Applied Corporate Governance and Risk Management	Wilma is a Senior Director of UniQuest Pty Limited, where she is able to promote productivity and innovation within industry through translating research into industry and community impact. Wilma leads the Expertise Commercialisation team and the Contract Operations team and manages a portfolio of over 400 contracts per year worth $17M of research contracts and consultancies.	Deputy Chair
Scott Daniel Chapman		Scott has spent the last 12 years working in Senior Management roles across Radio, TV, Digital and Publishing, over this period he has lead local and national sales and marketing teams to record highs. He has marketed for and worked with some of Australia's leading brands, focusing on profitable and accountable marketing/revenue strategies.	

Andrew George Hay	Bachelor of Commerce, Bachelor of Laws and Graduate Diploma, Applied Finance and Investment	Andrew heads the corporate advisory team for top tier law firm Clayton Utz in Brisbane and leads the firm's Agribusiness and Japan practice groups nationally, with over 25 years' experience as a corporate lawyer, Andrew has advised many of Australia's leading companies in corporate governance and the formal application of ethical standards. He brings a high skill level of corporate professionalism that complement Bravehearts' existing leadership team. Andrew is also Chairman of the Adam Scott Foundation, which provides life opportunities for Australian youth; and his previous trustee role with the Children's Cancer Institute and is President of the Australia-Japan Society (Queensland) Inc.	
Sharon Michelle Suzor	Bachelor of Business – Journalism and Graduate Diploma Early Childhood Education	Sharon is communication and community engagement practitioner with more than 20 years' experience. She works with multi-disciplinary teams across Australia, as part of designing and constructing major infrastructure projects and undertaking environmental investigations to obtain project approvals and for contaminated land sites. For the past three years she has been a Queensland Councillor with the Public Relations Association of Australia and is an active member of the International Association of Public Participation. In the past, Sharon has held leadership roles within the early childhood education and care sector. This included as a teacher and Director of community early childhood services, an education advisor and Communication Coordinator with the Creche and Kindergarten Association of Queensland and, resource officer with the State Department of Families.	
Georgina Richters		Georgina is currently the Queensland Director of PwC's Indigenous Consulting (PIC). Georgina has worked in leadership roles in the private (resources), public (local, State and Australian government) and not for profit sectors. She has a strong record of involvement in strategically planning and developing business improvements, and also in implementing the strategic direction and thinking of organisations.	
Professor Kesh Baboolal	MBBS MD FRACP FRCP LLM eMBA	Professor Keshwar Baboolal is registered with both the Australian Medical Board and General Medical Council UK as a Specialist in Nephrology and General Medicine. He was awarded FRACP and FRCP from the Royal College of Physicians in Australia and the UK. Professor Baboolal graduated from St Thomas's Hospital, University of London. He undertook post-graduate training at the Nuffield Department of Medicine in Oxford, Guys and St Thomas' Hospital, London and Stanford University. He completed his doctorate degree, Doctor of Medicine (MD) and was subsequently appointed as a Senior Specialist at the University Hospital of Wales UK. In 2006, he completed an eMBA program at INSEAD Paris.	
Margaret Fitzsimons	Bachelor of Commerce, Chartered Accountant	Margaret has worked for various types of organisations from large global businesses and national organisations to professional practices and SMEs and has more than 25 years' experience, specialising in strategy, profit improvement/financial performance and change management.	Secretary

Short- and long-term objectives and strategy

The company's short- and long-term **objectives** are to:

- To prevent child sexual assault in our society
- To make Australia the safest place in the world to raise a child

The company's **strategy** for achieving these objectives:

Bravehearts has been actively contributing to the provision of child sexual assault services throughout the nation since 1997. As the first and largest registered charity specifically and holistically dedicated to addressing this issue in Australia, Bravehearts exists to protect Australian children against sexual harm. All activities fall under 'The 3 Piers' to Prevention; Educate, Empower, Protect – Solid Foundations to Make Australia the safest place in the world to raise a child.

DIRECTORS' REPORT

Our activities include but are not limited to:

➤ **Educate:**

- Early childhood (aged 3-8) 'Ditto's Keep Safe Adventure' primary and pre-school based personal safety programs including cyber-safety.
- Ditto-In-A-Box teacher resources mapped to the national curriculum.
- Personal Safety Programs for older children & young people and specific programs aimed at Indigenous children.

➤ **Empower:**

- Community awareness raising campaigns (Online and Offline) including general media comment and specific campaigns such as our annual national White Balloon Day.
- Tiered Child sexual assault awareness, support and response training and risk management policy and procedure training and services for all sectors in the community.
- Specialist child sexual assault counselling is available to all children, adults and their non-offending family support.

➤ **Protect:**

- Specialist advocacy support services for survivors and victims of child sexual assault and their families including a specialist supported child sexual assault 1800 crisis line.
- Alternative reporting schemes including, Sexual Assault Disclosure Scheme (assisting with the reporting of historical child sexual assault offences) and Join the Dots (supporting young people report concerning online behaviour)
- Policy and Legislative Reform (Online and Offline) - collaboration with State Government departments and agencies.

Principal activities

The company's principal activities during the year were:

- On 15 September 2015 Bravehearts Inc. was registered by ASIC as a company limited by guarantee under s601BA(1) of the Corporations Act and became Bravehearts Foundation Limited. The ACN is 607 315 917. Bravehearts Inc. and Bravehearts Foundation Limited are the same entity.
- Provision of Education programs to children and young people aged 3 – 17 years of age utilising incursion programs and online learning platforms.
- Provision of support and advice via our National 1800 number across Australia
- Delivery of Counselling services both face to face and via telephone counselling
- Provision of Training via face to face and online learning platforms.
- Providing Risk Management Assessments and delivering associated training and education programs to mitigate the risk in partnership with EY.
- Provision of Advocacy Support through our Case Management team to support clients and families wanting support in a range of life domains.
- Increasing community awareness via our major campaigns and utilising all forms of media including our social media platforms.
- Lobbying all levels of government across Australia for legislative reform and for review of institutional practices that are not in the best interest of the child.
- Fundraising through grants from Commonwealth, State and Local Governments, gifts, donations, legacies, philanthropic grants, annual appeals and regular giving programs.
- Establishing new and innovative treatment programs to prevent the occurrence of child sexual assault.
- Developing partnerships with expert organisation to create analytical software that will reduce the administrative efforts involved in identifying children at risk and thus reducing the number of children subject to child sexual assault.

Performance measures

The directors use performance measures to assess the financial sustainability of the company,

whether the company's short-term and long term objectives are being achieved and:

> To assess the output performance of service activities

> To assess relative amounts of company expenditure applied to service activities

> To assess the various sources that revenue is derived from

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DIRECTORS' REPORT

The performance against these key performance indicators is as follows:	2017 Actual	2016 Actual
Proportion of revenue provided by:		
- Federal and State Government Grants	44.4%	57.7%
- Community Grants, Donations and Fundraising	32.2%	28.2%
- Service Fees	21.4%	11.4%
- Other Income	2.0%	2.7%
Proportion of expenditure spent on:		
- Education	18.7%	20.8%
- Empowerment	26.7%	22.5%
- Protection	24.0%	32.1%
- Awareness and Fundraising	17.8%	14.7%
- Enabling	12.8%	9.9%
Education Programme:		
- Number of children attended Ditto Show	125,817	114,974
- Number of schools Ditto Show visited	1,436	1,260
- Cumulative number of children attended Ditto Show to date	729,832	601,910
Therapeutic Services:		
- Sessions delivered	3,496	5,151
Child Protection Training		
- Clients Engaged in facilitated workshops and online courses	16,060	5,233
Case Management:		
- Number of clients	275	568
Intake and Support Line		
- Support phone calls received	6,408	10,282
Research, Policy and Lobbying:		
- Submissions to Inquiries and Reviews	16	13
- Conference and forum participation	10	9
- Completed research and position papers	3	4

Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. at 30 June 2017 the total amount that members of the company are liable to contribute if the company is wound up is $560.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the board of Directors

Director ______________________

Dated this 18th day of October 2017

BRAVEHEARTS FOUNDATION LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION UNDER THE AUSTRALIAN CHARATIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF BRAVEHEARTS FOUNDATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

i. 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. any applicable code of professional conduct in relation to the audit.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

LEE-ANN DIPPENAAR BCom CA RCA
DIRECTOR

Dated this 18th day of October 2017

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An Authorised Audit Company

Bravehearts Foundation Limited
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
Revenue	2	5,945,460	6,075,721
Profit / (Loss) on disposal of fixed asset		129	909
Capital asset donation	10	1,078,869	-
Employee provisions expenses		4,110,752	4,009,677
Depreciation expenses	10	125,074	109,821
Amortisation expense	11	6,104	-
Contractor and consultancy expenses		60,263	66,385
Interest expenses		1,381	788
Motor vehicle expenses		65,536	53,488
Utilities expenses		61,183	53,525
Rental expenses		184,316	349,871
Staff training and recruitment expenses		58,164	69,439
Audit, legal and consultancy fees		293,896	89,404
Sundry expenses		246,251	185,447
Technology and telecommunications expenses		218,894	335,397
Community awareness and fundraising expenses		368,122	325,780
Travel and accommodation expenses		132,992	132,897
Cost of goods sold and distributed		161,034	123,427
Write-off of fixed assets on vacation of premises	10	-	2,998
Total expenses		6,093,961	5,908,344
Current year surplus / (deficit) before income tax		930,497	168,286
Income tax expense	4	-	-
Net current year surplus		930,497	168,286
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of the entity		930,497	168,286

The accompanying notes form part of the financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	6	2,361,029	3,142,256
Accounts receivable and other debtors	7	225,910	57,632
Inventories on hand	8	98,694	130,715
Other current assets	9	37,598	62,664
TOTAL CURRENT ASSETS		2,723,231	3,393,267
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,497,715	1,020,891
Intangible assets	11	15,872	-
Financial assets	12	316,078	-
TOTAL NON-CURRENT ASSETS		2,829,665	1,020,891
TOTAL ASSETS		5,552,896	4,414,158
CURRENT LIABILITIES			
Accounts payable and other payables	13	1,660,636	1,504,618
Borrowings	14	30,861	53,905
Employee provisions	15	266,373	245,072
TOTAL CURRENT LIABILITIES		1,957,870	1,803,595
NON-CURRENT LIABILITIES			
Borrowings	14	66,710	31,942
Employee provisions	15	36,633	17,435
TOTAL NON-CURRENT LIABILITIES		103,343	49,377
TOTAL LIABILITIES		2,061,213	1,852,972
NET ASSETS		3,491,683	2,561,186
EQUITY			
Retained surplus		3,491,683	2,561,186
TOTAL EQUITY		3,491,683	2,561,186

The accompanying notes form part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surplus $	Total $
Balance at 30 June 2015	**2,392,900**	**2,392,900**
Net surplus / (deficit) for the year	168,286	168,286
Balance at 30 June 2016	**2,561,186**	**2,561,186**
Net surplus / (deficit) for the year	930,497	930,497
Balance at 30 June 2017	**3,491,683**	**3,491,683**

The accompanying notes form part of the financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,240,529	770,716
Operating grants receipts		3,376,366	3,619,412
Receipts from sale of merchandise stock		71,156	85,032
Donations and fundraising received		1,228,245	1,295,098
Payments to suppliers and employees		(5,885,700)	(5,985,942)
Interest received		38,789	80,100
Interest paid		(1,381)	(788)
Net cash provided by / (used in) operating activities	19	68,004	(136,372)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(491,045)	(95,577)
Purchase of finanical assets		(316,078)	-
Purchase of intangibles		(21,976)	-
Net cash (used in) provided by investing activities		(829,099)	(95,577)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (repayment of) borrowings		(20,132)	(12,721)
Net cash provided by financing activities		(20,132)	(12,721)
Net increase / (decrease) in cash held		(781,227)	(244,670)
Cash at beginning of financial year		3,142,256	3,386,926
Cash at end of financial year	6	2,361,029	3,142,256

The accompanying notes form part of the financial statements.

The financial statements cover Bravehearts Foundation Limited as an individual entity, incorporated and domiciled in Australia. Bravehearts Foundation Limited is a company limited by guarantee incorporated under Corporations Act 2001.

The financial statements were authorised for issue on 18 October 2017 by the directors of the company.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cashflow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

Where Bravehearts Foundation Limited receives non-reciprocal contributions of assets from the government and other parties for no or nominal value these assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service and the sale of goods is recognised upon the delivery of goods to customers.

All revenue is stated net of the amount of goods and services tax.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Inventories on Hand

Inventories are measured at the lower of cost and current replacement value.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

c) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the company at the reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property

Buildings are shown at their fair value at date of acquisition less subsequent depreciation.

Increases in the carrying amount arising on revaluation of buildings is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset, as assessed by the directors, at the date it is acquired.

Plant and Equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

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. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate %
Property	2.5 – 10%
Plant and Equipment	33.33 – 40%
Motor Vehicles	12.5%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Intangible Assets

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

f) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as at fair value through profit or loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Held-to-maturity Investments

Held-to maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Employee Provisions

Short-term Employee Benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages and, salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other Long-Term Employee Provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of six months or less. Barter and BBX dollar accounts are included in Cash and Cash Equivalents and valued at 75% of face value.

k) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts receivable from customers for goods sold and services rendered in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, must be disclosed in addition to the minimum comparative financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Critical Accounting Estimates and Judgments

The Boards' evaluations, estimates and judgments incorporated into the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Judgements

(i) Employee Benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Key Estimates

(i) Key Estimates

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

p) Economic Dependence

The company is dependent on the Department of Communities (Queensland) and the Department of Social Services (Family Support Program) for a substantial amount of its revenue used to operate the business, together with various other grants and donations received from the community. At the date of this report, the Board has no reason to believe that the Departments and the community will not continue to support Bravehearts Foundation limited.

q) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

r) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods are set out below:

AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expectant credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- Recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- Depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- By applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- Additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2016-4: *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2017).

This Standard amends AASB 136: *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and clarify that AASB 136 does not apply to non-cash-generating specialised assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138: *Intangible Assets*, but applies to such assets accounted for under the cost model in those Standards.

AASB 2016-4 is not expected to have a significant impact on the company's financial statements.

	Note	2017 $	2016 $
NOTE 2: REVENUE			
— Counselling services		147,269	150,456
— Education program fees		442,405	375,062
— Donations received	3	1,549,922	1,366,142
— Fundraising income		59,548	119,575
— Grant income - QLD Department of Families		901,801	1,092,560
— Grant income - Royal Commission		900,000	1,764,139
— Grant income - Other Government		836,988	652,657
— Grant income - Community		305,174	225,907
— Interest revenue		45,922	76,125
— Merchandise sales		64,688	77,302
— Training and Consulting		409,083	141,165
— Royalty Fees		274,142	-
— Other income		8,518	34,631
		5,945,460	6,075,721

NOTE 3: SURPLUS FOR THE YEAR

	2017 $	2016 $
Significant Revenue		
Donations received as pro-bono services and office space in kind	356,075	190,619
Total donations received in kind	356,075	190,619

NOTE 4: INCOME TAX EXPENSES

	2017 $	2016 $
Current tax	-	-

Bravehearts Foundation Limited is exempt from income tax, refer note 1q.

NOTE 5: AUDITORS' FEES

Remuneration of the auditor of the association for:

	2017 $	2016 $
- auditing or reviewing the financial report (44% of the audit fee, up to $15,300 (2016 - **$15,300**), in lieu of donation).	35,000	35,300

NOTE 6: CASH AND CASH EQUIVALENTS

	Note	2017 $	2016 $
CURRENT			
Cash at bank and in hand		1,072,009	1,674,242
Short-term bank deposits		1,289,020	1,468,014
	20	2,361,029	3,142,256

The effective interest rate on short-term bank deposits was 2.4% (2016: 2.73%). These deposits have an average maturity of 142 days.

		2017	2016
		$	$
NOTE 7: ACCOUNTS RECEIVABLE			
CURRENT			
Accounts receivable		227,110	60,514
Less: Provision for impairment	7a	(1,200)	(2,882)
Total Current Accounts Receivable and Other Debtors	20	225,910	57,632

a. Provision for Impairment

Movement in the provision for impairment is as follows:

Provision for impairment as at 1 July 2015	8,263
- Charge for the year	(5,381)
- Written off	-
Provision for impairment as at 30 June 2016	2,882
- Charge for the year	(1,682)
- Written off	-
Provision for impairment as at 30 June 2017	1,200

b.Credit Risk

The company has no significant concentrations of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk is considered to relate to fees receivable for counselling services.

The following table details fees and other trade debtors with ageing analysis and impairment provided thereon. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid. The balances that remain within initial terms are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired				Within initial trade terms
2017			<30	31-60	61-90	>90	
Counselling fees	4,197	1,200	-	170	300	-	2,527
Education fees	34,326	-	-	7,270	1,905	2,507	22,644
Training Fees	78,389		-	5,638	-	9,091	63,660
Childplace Fees	75,389	-	-	-	-	-	75,389
Other	34,809	-	-	-	-	2,243	32,566
	227,110	1,200	-	13,078	2,205	13,841	196,786
2016							
Counselling fees	3,483	2,882	-	-	223	-	378
Education fees	29,788	-	-	2,670	4,275	(351)	23,194
Other	27,243	-	-	4,015	3,000	2,526	17,702
	60,514	2,882	-	6,685	7,498	2,175	41,274

	2017	2016
NOTE 8: INVENTORIES		
CURRENT		
At replacement value	98,694	130,715
Merchandise stock	98,694	130,715
NOTE 9: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	24,654	58,039
Deposits held	1,070	570
Accrued income	11,874	4,055
	37,598	62,664

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Building – at cost	28,327	28,327
Building – at Directors' Valuation	2,467,877	955,828
Accumulated depreciation	(230,754)	(194,575)
	2,265,450	789,580
Plant and Equipment – at cost	314,169	286,430
Accumulated depreciation	(256,007)	(197,133)
	58,162	89,297
Motor Vehicles – at cost	178,393	162,494
Motor Vehicles – at Directors' Valuation	42,199	42,199
Accumulated depreciation	(149,663)	(147,229)
	70,929	57,464
Leased Motor Vehicles – at cost	137,709	105,853
Accumulated Depreciation	(34,535)	(21,303)
	103,174	84,550
Total Property, Plant and Equipment	2,497,715	1,020,891

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building	Plant & Equipment	Motor Vehicles	Leased Motor Vehicles	Total
	$	$	$	$	$
Balance at 30 June 2015	816,309	74,746	39,317	50,677	981,049
Additions	-	74,943	34,237	43,481	152,661
Disposals	-	-	-	-	-
Write-off of assets on vacation of premises	-	(2,998)	-	-	(2,998)
Depreciation expense	(26,729)	(57,394)	(16,090)	(9,608)	(109,821)
Balance at 30 June 2016	789,580	89,297	57,464	84,550	1,020,891
Additions	1,512,049	27,740	33,625	31,856	1,605,270
Disposals	-	-	(3,372)	-	(3,372)
Write-off of assets on vacation of premises	-	-	-	-	-
Depreciation expense	(36,179)	(58,875)	(16,788)	(13,232)	(125,074)
Carrying amount at 30 June 2017	2,265,450	58,162	70,929	103,174	2,497,715

Buildings are located at 9 Byth Street Arundel. The land is sub-leased from Gold Coast City Council. The Gold Coast City Council lease this land from the Queensland State Government. The current leases expire in 2020. Prior to expiry the Gold Coast City Council will apply to the Queensland Government for a further lease of an additional twenty years and will in turn afford Bravehearts the same. The Committee members have no reason to believe that on expiry of the lease in 2020 that the lease will not then be renewed for a further twenty years and accordingly are depreciating the building at 2.5% per annum (40 years).

During the current period the company extended the building at 9 Byth Street Arundel. The directors have assessed the fair value of the extension to be $1,428,869 with the company having contributed $350,000 and the balance of $1,078,869 being donations received.

The company leases motor vehicles under finance lease agreements. At the end of the leases the company may, at its option, purchase the vehicle at a favourable price. The leased vehicles secure the obligation under the leases. See Note 14.

NOTE 11: INTANGIBLE ASSETS

	2017	2016
	$	$
Computer software - at cost	21,976	-
Accumulated amortisation	(6,104)	-
Net carrying amount	15,872	-

NOTE 12: FINANCIAL ASSETS

	2017	2016
NON-CURRENT		
Held to maturity investments	316,078	-

NOTE 13: ACCOUNTS PAYABLE AND OTHER PAYABLES

		2017	2016
CURRENT			
Unsecured liabilities			
Accounts payable and other payables		398,269	437,829
Unexpended grants and deferred income		1,262,367	1,066,789
TOTAL CURRENT ACCOUNTS PAYABLE		1,660,636	1,504,618
a. Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables			
Total current		1,660,636	1,504,618
Total non-current		-	-
		1,660,636	1,504,618
Less: Unexpended grants and deferred income		1,262,367	1,066,789
Financial liabilities as accounts payable and other payables	20	398,269	437,829

The average credit period on accounts payable and other payables is thirty days.
No interest is payable on outstanding payables during this period.

NOTE 14: LEASE LIABILITIES

	2017	2016
CURRENT		
Lease liability	30,861	53,905
NON-CURRENT		
Lease liability	66,710	31,942
TOTAL BORROWINGS	97,571	85,847

The company leases motor vehicles under finance lease agreements. At the end of the leases the company may, at its option, purchase the vehicle at a favourable price. At the end of June 2017 the net carrying amount of the leased motor vehicles was $103,174 (2016: $84,550). The leased vehicles secure the obligation under the leases. See Note 10.

NOTE 15: EMPLOYEE PROVISIONS

	2017 $	2016 $
CURRENT		
Employee provisions - annual leave entitlements	177,433	165,476
Employee provisions - long service leave entitlements	88,940	79,596
	266,373	245,072
NON CURRENT		
Employee provisions - long service leave entitlements	36,633	17,435
TOTAL PROVISIONS	303,006	262,507

Analysis of Employee Provisions	$	$
Opening balance at 1 July 2016	262,507	249,507
Additional provisions	279,432	322,982
Amounts used	(238,933)	(309,982)
Balance at 30 June 2017	303,006	262,507

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and contingent assets at the reporting date.

NOTE 17: EVENTS AFTER THE BALANCE SHEET DATE

The Directors are not aware of any significant events since the end of the reporting period.

	2017	2016
NOTE 18: RELATED PARTY TRANSACTIONS	$	$

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its board members, is considered key management personnel.

	2017	2016
Key management personnel compensation:		
- short-term benefits	841,830	796,463

b. Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

	2017	2016
Bravehearts entered into a tenancy agreement with Hetty Johnston for the Springwood office in Brisbane. Rent paid to her during the year was:	27,862	27,477

NOTE 19: CASH FLOW INFORMATION

a) Reconciliation of Cash Flow from Operations with net current year surplus

	2017	2016
Current year surplus	930,497	168,286
Cash flows excluded from current year surplus		
- Depreciation and amortisation expense	131,178	109,821
- Net surplus on disposal of property, plant and equipment	(128)	(909)
- Write-off of fixed assets on vacation of premises	-	2,998
- Loyalty credits	-	(12,694)
- Capital asset donation	(1,078,869)	-
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(168,278)	(728)
(increase)/decrease in other current assets	25,066	(34,449)
(Increase)/decrease in inventories on hand	32,021	(59,719)
Increase/(decrease) in accounts payable and other payables	(39,560)	48,895
Increase/(decrease) in employee provisions	40,499	13,000
Increase/(decrease) in unexpended grants and deferred income	195,578	(370,873)
Net cash provided by / (used in) operating activities	68,004	(136,372)

b) Non-cash transactions

During the year the following non-cash transactions occurred:

i. Donations in kind or pro-bono services to a value of $356,075 (2016: $190,619) were recognised during the year

ii. Assets to a value of $nil (2016: $12,694) were acquired through Telstra loyalty credit redemption

iii. Buildings to the value of $1,078,869 were donated during the year (refer note 10)

iv. During the year the company acquired motor vehicles to the value of $31,856 (2016:$43,481) by means of finance leases.

These transactions are not reflected in the Statement of Cash Flows.

NOTE 20: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payables. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017	2016
Financial Assets		$	$
Cash and cash equivalents	6	2,361,029	3,142,256
Accounts receivable and other debtors	7	225,910	57,632
Financial Assets	12	316,078	-
TOTAL FINANCIAL ASSETS		2,903,017	3,199,888
Financial Liabilities			
Accounts payable and other payables	13	398,269	437,829
Lease Liabilities	14	97,571	85,847
TOTAL FINANCIAL LIABILITIES		495,840	523,676

Financial Risk Management Policies

The Committee meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through it's financial instruments are credit risk and liquidity risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.
Credit risk is managed through maintain procedures (such as utilisation of systems of approval, grating and removal of credit limits, regular monitoring of exposure against such limits and monitoring the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.
Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. There is no collateral held by the association securing accounts receivable and other debtors. Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high quality. Aggregates of such amounts are detailed in note 7.
The company has no significant concentrations of risk with any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 7.

b. Liquidity Risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling it's debts or otherwise meeting it's obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to operational and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid receivables.

NOTE 20: FINANCIAL RISK MANAGEMENT (cont'd)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Accounts payable and other payables (excluding employee benefits)	398,269	437,829	-	-	-	-	398,269	437,829
Financial lease liabilities	30,861	53,905	66,710	31,942	-	-	97,571	85,847
Total expected outflows	429,130	491,734	66,710	31,942	-	-	495,840	523,676
Financial assets — cash flows realisable								
Cash and cash equivalents	2,361,029	3,142,256	-	-	-	-	2,361,029	3,142,256
Accounts receivable and other debtors	225,910	57,632	-	-	-	-	225,910	57,632
Financial assets	-	-	-	-	316,078	-	316,078	-
Total anticipated inflows	2,586,939	3,199,888	-	-	316,078	-	2,903,017	3,199,888
Net (outflow)/inflow on financial instruments	2,157,809	2,708,154	(66,710)	(31,942)	316,078	-	2,407,177	2,676,212

Net Fair Values

The net fair values of financial assets and financial liabilities approximate their carrying value.

NOTE 21: CAPITAL AND LEASING COMMITMENTS

	Note	2017	2016
a) Finance lease commitments		$	$
Payable – minimum lease payments			
- not later than 12 months		30,861	53,905
- later than 12 months but not later than 5 years		66,710	31,942
- greater than 5 years		-	-
Minimum lease payments		97,571	85,847
Less: Future finance charges		-	-
Present value of minimum lease payments	14	97,571	85,847

b) Operating lease commitments

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Operating Lease Commitments for rental of office premises	14,875	56,493	3	15,045		-	14,878	71,538

The company has a lease agreement for the premises located at Lot 10 SP161040 with the Gold Coast City Council, which commenced 1 October 2007 and expires 30 August 2020. As the annual lease expense amount is not known until receipt of an invoice from GCCC, the future liability cannot be determined with an acceptable degree of reliability. Accordingly, the operating lease commitment details cannot be disclosed in accordance with Accounting Standard AASB 117 'Leases'.

The company has entered into a number of non-cancellable operating leases for branch offices. Lease terms range from periodic monthly tenancy to thirty six months. Rental is either paid monthly in advance or is provided as a donation in kind.

NOTE 22: ENTITY'S DETAILS

ABN 41 496 913 890
ACN 607 315 917

The registered office of the entity is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

The principal place of business is:
Bravehearts Foundation Limited
9 Byth Street
ARUNDEL QLD 4214

Note 23: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2017, the number of paid up members was 56 (2016: 87).

Bravehearts Foundation Limited
ABN 41 496 913 890

DIRECTORS' DECLARATION

The Directors of Bravehearts Foundation Limited declare that in the directors opinion:

1. The financial statements and notes, as set out on pages 7 to 29 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
   a. comply with Australian Accounting Standard; and
   b. give a true and fair view of the financial position of the registered entity as at 30th June 2017 and of its performance for the year ended on that date

2. There are reasonable grounds to believe that Bravehearts Foundation Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director's Signature: ....

Dated this 18 day of October 2017

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAVEHEARTS FOUNDATION LIMITED
(Page 1 of 3)

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Bravehearts Foundation Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects, if any, of the matters described in the Basis for Qualified Opinion Section of our report, the accompanying financial report of Bravehearts Foundation Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission 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; and

(b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for Qualified Opinion

Donations (including those in-kind) and Fundraising are significant sources of revenue for Bravehearts Foundation Limited. Given the nature of these revenue sources, established controls over the collection of these receipts prior to entry into the financial records are limited. Accordingly, our audit procedures with respect to these revenue sources was restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to the completeness of donations of $1,549,922, donations in-kind of $356,075 (included within donations) and fundraising income of $59,548. A similar qualification was disclosed in our 30 June 2016 audit report and, accordingly, the comparative financial information and opening retained earnings amount carried forward should be read in conjunction with same.

Further during the current year a capital asset donation of $1,078,869 was received in relation to the extension of the building (refer note 10 to the financial statements). Whether this represents fair value is uncertain.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other Than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Bravehearts Foundation Limited for the year ended 30 June 2017, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the website.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAVEHEARTS FOUNDATION LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exits, we are required to draw attention in our auditor's report to the related disclosure 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WPIAS Pty Ltd
Authorised Audit Company No. 440306

LEE-ANN DIPPENAAR BCom CA RCA
DIRECTOR

Dated this 18th day of October 2017

4 Helensvale Road
Helensvale Qld 4212