

Bravehearts Foundation Limited
ABN 41 496 913 890

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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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 2016.

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 Renne	19/04/2013	28/07/2016	2	9
Gemma Cook	9/04/2010		8	9
Wilma Robyn James	27/11/2015		5	5
Scott Daniel Chapman	22/06/2016		0	0
Leanne Linard	19/02/2016	21/06/2016	3	4
Angelo Venardos	21/06/2013	13/04/2016	9	9
Lesa Jackson	21/06/2013	27/11/2015	3	4

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 1998. 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		Ellected 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 Minister for Planning Reform. Rob joined the board of Bravehearts in September 2004.	
Matthew Renne	Bachelor of Economics, Finance, Masters of Applied Economics (research)	Matt is a senior EV Partner, serving as Global Leader of Sections in EV's Transactions business, and Global Transactions leader for EV Power and Utilities. These roles include the development and broadening of EV's service offerings in both developed and emerging markets around the world.	Treasurer
Gemma Cook	Bachelor of Commerce, Graduate Diploma of Chartered Accounting	Gemma is an Associate Director in the Business Services division of Bantey's, 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.	
Wilma Robyn James		Wilma is a Senior Director of UniQuest Pty Limited, where she is able to promote productivity and innovation within industry through transferring 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 led 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.	
Leanne Linard	Undergraduate business degree, Currently postgraduate studies in Applied Law	MP for Nudgee. Leanne is passionate about serving her local community and a former board member of the Nundah Activity Centre and has been a regular MC at local community events.	
Angelo Venardos	Bachelor of Laws, Master of Laws, Graduate Diploma of Business Administration	Angelo is a Special Counsel at Ferguson Cannon Lawyers. He is a Solicitor of the High Court of Australia and the Supreme Court of Queensland.	
Lesa Jackson	Chartered Accountant, Justice of the Peace	As the Chief Financial Officer of KeyStone Private, Lesa's role encompasses the prudent & effective management of the financial function of our high net worth family clients.	
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.	Company Secretary, Non-voting board member since 18 September 2015.

DIRECTORS' REPORT

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.

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.
- > **Protect:**
 - Specialist child sexual assault counselling is available to all children, adults and their non-offending family support.

- 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 organisations 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.

Bravehearts Foundation Limited
ABN 41 496 913 890

DIRECTORS' REPORT

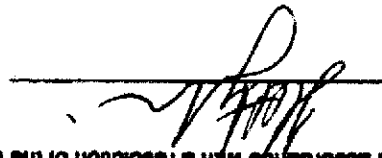
Performance measures
The directors use performance measures to assess the financial sustainability of the company, whether the company's short-term and long term objectives are being achieved and:
> To assess the output performance of service activities
> To assess relative amounts of company expenditure applied to service activities
> To assess the various sources that revenue is derived from

The performance against these key performance indicators is as follows:		2016	2015
Proportion of revenue provided by:			
- Federal and State Government Grants	57.8%	65.1%	28.4%
- Community Grants, Donations and Fundraising	28.2%	11.8%	4.7%
- Service Fees	11.4%	20.8%	22.4%
- Other Income	2.7%	33.6%	31.4%
Proportion of expenditure spent on:			
- Education	20.8%	14.9%	7.5%
- Empowerment	22.4%	16.7%	5.9%
- Protection	33.6%	0.6%	1.4%
- Awareness and Fundraising	16.7%	114874	103060
- Number of children attended Ditto Show	114874	1260	1166
- Number of schools Ditto Show visited	1260	1473	1379
- Number of Ditto Shows delivered	1473	601910	458936
- Cumulative number of children attended Ditto Show to date	601910	5151	5892
Therapeutic Services:			
- Sessions delivered	5151	3306	2620
- Face to face	3306	1927	624
- Online	1927	568	499
Case Management:			
- Number of clients	568	10282	9886
Information and Support Line:			
- Calls received	10282		
Research, Policy and Lobbying:			
- Submissions to Inquiries and Reviews:	13	12	9
- Conference and forum participation:	9	3	
- Completed research and position papers:	3		

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 2016 the total amount that members of the company are liable to contribute if the company is wound up is \$670.

Auditor's Independence Declaration
The auditor's independence declaration for the year ended 30 June 2016 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 19th day of October 2016

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
THE AUSTRALIAN CHARITIES 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 2016 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 19th day of October 2016

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WPIAS a Limited Partnership

WPIAS Pty Ltd ABN 99 163 915 482
An Authorised Audit Company



CPA Australia
CPA Australia is a not-for-profit organisation
CPA Australia is a not-for-profit organisation

GOLD COAST BRISBANE SYDNEY MELBOURNE PERTH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
Revenue	2	6,075,721	5,833,224
Profit / (Loss) on disposal of fixed asset	10	909	-
Employee provisions expenses	10	(4,009,677)	(4,209,809)
Depreciation and amortisation expenses	10	(109,821)	(102,995)
Contractor and consultancy expenses		(66,385)	-
Interest expenses		(788)	-
Motor vehicle expenses		(53,488)	(48,380)
Utilities expenses		(53,525)	(68,357)
Rental expenses		(349,871)	(240,032)
Staff training and recruitment expenses		(69,439)	(12,759)
Audit and legal fees		(89,404)	(66,067)
Sundry expenses		(185,447)	(190,596)
Technology and telecommunications expenses		(335,397)	(209,772)
Community awareness and fundraising expenses		(325,780)	(234,694)
Travel and accommodation expenses		(132,897)	(170,194)
Cost of goods sold and distributed		(123,427)	(171,219)
Write-off of fixed assets on vacation of premises	10	(2,998)	-
Current year surplus / (deficit) before income tax		168,286	108,340
Income tax expense	4	-	-
Net current year surplus		168,286	108,340
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		168,286	108,340
Total comprehensive income for the year		168,286	108,340
Total comprehensive income attributable to the members of the entity		168,286	108,340

The accompanying notes form part of the financial statements.

Bravehearts Foundation Limited
ABN 41 496 913 890

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016	2015
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,142,256	3,386,927
Accounts receivable and other debtors	7	57,632	56,904
Inventories on hand	8	130,715	70,996
Other current assets	9	62,664	28,214
TOTAL CURRENT ASSETS		3,393,267	3,543,041
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,020,891	981,049
TOTAL NON-CURRENT ASSETS		1,020,891	981,049
TOTAL ASSETS		4,414,158	4,524,090
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	1,504,618	1,826,596
Lease liabilities	12	53,905	12,441
Employee provisions	13	245,072	235,874
TOTAL CURRENT LIABILITIES		1,803,595	2,074,911
NON-CURRENT LIABILITIES			
Lease liabilities	12	31,942	42,646
Employee provisions	13	17,435	13,633
TOTAL NON-CURRENT LIABILITIES		49,377	56,279
TOTAL LIABILITIES		1,852,972	2,131,190
NET ASSETS		2,561,186	2,392,900
EQUITY			
Retained surplus		2,561,186	2,392,900
TOTAL EQUITY		2,561,186	2,392,900

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2014	2,284,660	2,284,660
Comprehensive income		
Surplus for the year attributable to members of the entity	108,340	108,340
Balance at 30 June 2015	2,392,900	2,392,900
Comprehensive income		
Surplus for the year attributable to members of the entity	168,286	168,286
Balance at 30 June 2016	2,561,186	2,561,186

The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		770,716	442,408
Operating grants receipts		3,619,412	3,190,911
Receipts from sale of merchandise stock		85,032	348,243
Donations and fundraising received		1,295,098	1,360,563
Payments to suppliers and employees		(5,985,942)	(5,200,499)
Interest received		80,100	98,214
Interest paid		(788)	-
Net cash provided by / (used in) operating activities	17	(136,372)	239,840
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(95,577)	(19,672)
Net cash (used in) provided by investing activities		(95,577)	(19,672)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (repayment of) lease liabilities		(12,721)	(12,441)
Net cash provided by financing activities		(12,721)	(12,441)
Net increase / (decrease) in cash held		(244,670)	207,727
Cash at beginning of financial year		3,386,927	3,179,200
Cash at end of financial year	6	3,142,257	3,386,927

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 19 October 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 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(g) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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.

f) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) *Financial Assets at Fair Value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(iii) *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.

(iv) *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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

(g) 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.

h) 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.

i) 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.

j) 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(f) for further discussion on the determination of impairment losses.

k) 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.

l) 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.

m) 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)

n) 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 Judgments

(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

(ii) 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.

o) 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.

p) 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.

q) New Accounting Standards for Application in Future Periods

An assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company and their potential impact on the company when adopted in future periods is discussed below:

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

These Standards 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 of 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: REVENUE

	2016	2015
— Counselling services	150,456	208,965
— Education program fees	375,062	345,131
— Donations received	1,366,142	1,394,015
— Fundraising income	119,575	75,678
— Grant income - QLD Department of Families	1,092,560	1,080,713
— Grant income - Royal Commission	1,764,139	1,666,999
— Grant income - Other Government	652,657	468,240
— Grant income - Community	225,907	185,621
— Interest revenue	76,125	106,245
— Merchandise sales	77,302	156,703
— Training and Consulting	141,165	135,198
— Other income	34,630	9,715
	<u>6,075,720</u>	<u>5,833,223</u>

NOTE 3: SURPLUS FOR THE YEAR

	2016	2015
Significant Revenue	\$	\$
Donations received as pro-bono services and office space in kind	190,619	109,130
Total donations received in kind	<u>190,619</u>	<u>109,130</u>

NOTE 4: INCOME TAX EXPENSES

	2016	2015
Current tax	\$	\$
Bravehearts Foundation Limited is exempt from income tax, refer note 1p.	-	-

NOTE 5: AUDITORS' FEES

	2016	2015
Remuneration of the auditor of the company for:	\$	\$
- auditing or reviewing the financial report (44% of the audit fee, up to \$15,300 (2015 - \$15,000), in lieu of donation).	<u>35,300</u>	<u>30,019</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6: CASH AND CASH EQUIVALENTS			
CURRENT			
Cash at bank and in hand	1,397,077		
Short-term bank deposits	1,674,242		
Total cash on hand as stated in the statement of financial position and statement of cashflows	3,071,319	18	
The effective interest rate on short-term bank deposits was 2.73% (2015: 3.0%).			
These deposits have an average maturity of 122 days.			

NOTE 7: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

CURRENT			
Accounts receivable	65,167		
Less: Provision for impairment	(2,882)	7a	
Total Current Accounts Receivable and Other Debtors	56,904	18	
a. Provision for impairment			
Movement in the provision for impairment is as follows:			
Provision for impairment as at 1 July 2014	12,396		
- Charge for the year	(4,133)		
- Written off	-		
Provision for impairment as at 30 June 2015	8,263		
- Charge for the year	(5,381)		
- Written off	-		
Provision for impairment as at 30 June 2016	2,882		

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.

2016	Gross Amount	Past due and impaired	<30	31-60	61-90	>90	Within initial trade terms
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
2015	60,514	2,882	-	6,885	7,498	2,175	41,274
Counselling fees	12,047	8,263	300	605		1,685	1,214
Education fees	24,055	-	801	-		-	23,254
Other	29,065	-	-	-		-	29,065
	65,167	8,263	-	1,101	605	1,685	53,533

NOTE 8: INVENTORIES

CURRENT		
At replacement value	130,715	
Merchandise stock	130,715	70,996

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 9: OTHER CURRENT ASSETS

CURRENT	2016	2015
Prepayments	58,039	9,614
Deposits held	570	10,570
Accrued income	4,055	8,030
	62,664	28,214

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Building – at cost	28,327	
Building – at Directors' Valuation	955,828	
Accumulated depreciation	(194,575)	
	789,580	
Plant and Equipment – at cost	286,430	
Accumulated depreciation	(197,133)	
	89,297	
Motor Vehicles – at cost	162,494	
Motor Vehicles – at Directors' Valuation	42,199	
Accumulated depreciation	(147,229)	
	57,464	
Leased Motor Vehicles – at cost	105,853	
Accumulated Depreciation	(21,303)	
	84,550	
Total Property, Plant and Equipment	1,020,891	981,049

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:

	Plant & Equipment	Motor Vehicles	Leased Motor Vehicles	Total
Balance at 30 June 2014	843,037	90,209	62,311	54,575
Additions	-	33,912	-	-
Disposals	-	-	-	-
Depreciation expense	(26,728)	(49,375)	(22,994)	(3,898)
Balance at 30 June 2015	816,309	74,746	39,317	50,677
Additions	-	74,943	34,237	43,481
Disposals	-	-	-	-
Write-off of assets on vacation of premises	-	(2,998)	-	-
Depreciation expense	(26,729)	(57,394)	(16,090)	(9,608)
Carrying amount at 30 June 2016	789,580	89,297	57,464	84,550

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 board has 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).

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 12.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: ACCOUNTS PAYABLE AND OTHER PAYABLES

	2016	2015
CURRENT		
Unsecured liabilities		
Accounts payable and other payables	437,829	388,934
Unexpended grants and deferred income	1,066,789	1,437,662
TOTAL CURRENT ACCOUNTS PAYABLE	1,504,618	1,826,596

a. Financial liabilities at amortised cost classified as trade and other payables

Accounts payable and other payables	1,504,618	1,826,596
Total current	1,504,618	1,826,596
Total non-current	-	-
Less: Unexpended grants and deferred income	1,504,618	1,826,596
Financial liabilities as accounts payable and other payables	1,066,789	1,437,662
	437,829	388,934

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

NOTE 12: LEASE LIABILITIES

CURRENT		
Lease liability	53,905	12,441
NON-CURRENT		
Lease liability	31,942	42,646
TOTAL LEASE LIABILITIES	85,847	55,087

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 2016 the net carrying amount of the leased motor vehicles was \$84,550 (2015: \$50,677). The leased vehicles secure the obligation under the leases. See Note 10.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
NOTE 13: EMPLOYEE PROVISIONS		
	\$	\$

CURRENT		
Employee provisions - annual leave entitlements	165,476	162,521
Employee provisions - long service leave entitlements	79,596	73,353
NON CURRENT		
Employee provisions - long service leave entitlements	17,435	13,633
TOTAL PROVISIONS	262,507	249,507

Analysis of Employee Provisions		
Opening balance at 1 July 2015	249,507	185,492
Additional provisions raised for the year	322,982	277,909
Amounts used	(309,982)	(213,894)
Balance at 30 June 2016	262,507	249,507

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 14: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16: RELATED PARTY TRANSACTIONS

2016
\$
2015
\$

a. Key Management Personnel

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

Key management personnel compensation:

- short-term benefits

796,463
571,951

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.

Bravehearts entered into a tenancy agreement with Helly Johnston for the Springfield office in Brisbane. Rent paid to her during the year was:

27,477
27,300

NOTE 17: CASH FLOW INFORMATION

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

Current year surplus
Non-Cash flows

- Depreciation expense

- Net surplus on disposal of property, plant and equipment

- Write-off of fixed assets on vacation of premises

- Loyalty credits

Changes in assets and liabilities

(Increase)/decrease in accounts receivable and other debtors

(Increase)/decrease in other current assets

(Increase)/decrease in inventories on hand

Increase/(decrease) in accounts payable and other payables

Increase/(decrease) in employee provisions

Increase/(decrease) in unexpended grants and deferred income

Net cash provided by / (used in) operating activities

(136,372)
239,840

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 \$190,619 (2015: \$109,130) were recognised during the year
ii. Assets to a value of \$12,694 (2015: \$14,240) were acquired through Telstra loyalty credit redemption

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payables, and lease liabilities. 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:

Financial Assets	Note	2016	2015
Cash and cash equivalents	6	3,142,256	3,386,927
Accounts receivable and other debtors	7	57,632	56,904
TOTAL FINANCIAL ASSETS		3,199,888	3,443,831
Financial Liabilities			
Accounts payable and other payables	11	437,829	388,934
Lease Liabilities	12	85,047	55,087
TOTAL FINANCIAL LIABILITIES		523,676	444,021

Financial Risk Management Policies

The board of directors 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 board'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 company is exposed to through its financial instruments are credit risk and liquidity risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board'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 company.

Credit risk is managed through maintain procedures (such as utilisation of systems of approval, granting and removal of credit limits, regular monitoring of exposures 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 board have 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 company securing accounts receivable and other debtors. 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 company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 18: FINANCIAL RISK MANAGEMENT (cont'd)

Financial Liability and Financial Asset Maturity Analysis

	2016	2015	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Financial liabilities due for payment	\$	\$	\$	\$	\$	\$
Accounts payable and other payables (excluding employee benefits)	437,829	388,934	-	-	-	437,829
Financial lease liabilities	63,805	12,441	31,942	42,646	-	86,847
Total expected outflows	491,734	401,375	31,942	42,646	-	523,676
Financial assets — cash flows realisable	3,142,256	3,386,927	-	-	-	3,142,256
Cash and cash equivalents	57,632	56,804	-	-	-	57,632
Accounts receivable and other debtors	3,189,888	3,443,831	-	-	-	3,189,888
Total anticipated inflows	2,708,154	3,042,456	(31,942)	(42,646)	-	2,676,212
Net (outflow)/inflow on financial instruments	2,708,154	3,042,456	(31,942)	(42,646)	-	2,676,212

Net Fair Values

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

NOTE 19: CAPITAL AND LEASING COMMITMENTS

	2016	2015	Within 1 Year	1 to 5 Years	Over 5 Years	Total
a) Finance lease commitments						
Payable — minimum lease payments	-	-	-	-	-	-
- not later than 12 months	12,441	55,886	-	-	-	12,441
- later than 12 months but not later than 5 years	42,646	34,204	-	-	-	42,646
- greater than 5 years	-	-	-	-	-	-
Minimum lease payments	55,087	90,090	-	-	-	55,087
Less: Future finance charges	-	(4,243)	-	-	-	-
Present value of minimum lease payments	55,087	85,847	-	-	-	55,087
b) Operating lease commitments						
Operating Lease Commitments for rental of office premises	56,493	182,534	15,045	106,162	-	268,598

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.

c) Capital expenditure commitments

At reporting date, the company has committed to a capital cost for construction for extension works to the company's head office building located at 9 Blyth Street, Arundel. The maximum commitment is to a value of \$350,000 for construction and \$70,000 for council infrastructure charges, total \$420,000 (2015: Nil). Nil payable within one year. This amount is not due and payable at reporting date and has therefore not been provided for in the financial statements. No formal agreement has been entered into.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20: 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 21: 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 2016, the number of paid up members was 87 (2015: 231).

Bravehearts Foundation Limited
ABN 41 498 913 890

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 6 to 27, 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 Bravehearts Foundation Limited as at 30th June 2016 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 60.16(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director's Signature:

Dated this 18th day of October 2016

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

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

Report on the Financial Report

We have audited the accompanying financial report of Bravehearts Foundation Limited (the company), which comprises the statement of financial position as at 30 June 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and any applicable code of professional conduct in relation to the audit.

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WPAS a limited Partnership

WPAS Pty Ltd ABN 99 163 915 482
An Authorised Audit Company



CPA Australia
Not-for-profit limited liability company
Incorporated in Australia

GOLD COAST BRISBANE SYDNEY MELBOURNE PERTH

BRAVEHEARTS FOUNDATION LIMITED
ABN 41 496 913 890

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

Basis for Qualified Auditor's 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 \$1,366,142, donations in-kind of \$190,619 (included within donations) and fundraising income of \$119,575. A similar qualification was disclosed in our 30 June 2015 audit report and, accordingly, the comparative financial information and opening retained earnings amount carried forward should be read in conjunction with same.

Qualified Auditor's Opinion

In our opinion, except for the effect, if any, of the matter described in the previous paragraph, the financial report of Bravehearts Foundation Limited has been prepared in accordance with the Div 60 of Australian Charities and Not-for-profits Commission Act 2012, including:

(i) Giving a true and fair view of the company's financial position as at 30 June 2015 and of its financial performance and cash flows for the year ended on that date; and

(iii) Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

WPIAS Pty Ltd

Authorised Audit Company No. 440306



LEE-ANN DIPPENAAR BCom CA RCA
DIRECTOR

Dated this 19th day of October 2016

4 Helensvale Road
Helensvale Qld 4212