

Special Olympics Australia

ABN 28 050 738 728

Annual Report

31 December 2013

Special Olympics Australia

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Special Olympics Australia

Directors' report

For the year ended 31 December 2013

The directors present their report together with the financial statements of Special Olympics Australia (the Company) for the financial year ended 31 December 2013 and the auditor's report thereon.

1 Directors

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

Mark Streeting

Chairman of the Board. Principal at Booz & Company. Headed the team that completed the organisational and governance review of Special Olympics Australia and advises many major corporations and government departments in Australia. Degrees include Bachelor of Economics (Commerce), Graduate Diploma in Public Economic Policy, Master of Business Administration. Appointed on 14 April 2007.

Kim Bryan

General Manager HR & Organisation Development Strategy, Queensland Rail. Previously Public Affairs Manager at Caltex. Previously held senior communications and marketing positions with public and private sectors involving strategic planning, brand development, corporate communications and management. Degrees include Master of Arts (Communications) and Bachelor of Arts (Public Relations). Appointed on 14 April 2007.

Maxwell Jackson

Experienced consultant providing training and consultancy services to government funded sector, voluntary and private sector organisations in Victoria. Previously held a senior management position with Disability Services Victoria. Degrees include Master of Business Administration, Melbourne Bachelor of Special Education, Trained Special Teacher's Certificate, Trained Primary Teacher's Certificate, Post Graduate Diploma of Psychotherapy, Diploma of Health - Clinical Hypnotherapy, Certificate IV in Training and Assessment. Appointed on 14 April 2007.

Anna-Louise Kassulke

Service Manager Gold Coast Recreation and Sport. Anna-Louise was instrumental in establishing Special Olympics in Queensland and has served Special Olympics in a variety of capacities since 1998 including State Director of sports and training and as Head of Delegation for the Australian team at the 2007 World Games in Shanghai. Appointed on 1 May 2009.

Anthony McGrath

Chairman and Partner of McGrath Nicol. Previously a Partner and Head of KPMG's Corporate Recovery Team where he was involved in major liquidation work. Degrees include Bachelor of Business. Appointed on 14 April 2007.

Robyn Sefiani

27 years in public relations. Managing Director of Sefiani Communications Pty Ltd. Previously CEO Edlements in Australia. B.A Communications. Appointed on 8 May 2008.

Jonathan Scriven

Group executive, People & Corporate Services for Qantas. In this position Jon is responsible for human resources as well as overseeing the Office of the Chief Executive Officer which encompasses safety, security, environment, internal audit and Company secretary. Appointed on 20 August 2011. Resigned on 14 August 2013.

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Directors' report (continued)

For the year ended 31 December 2013

1 Directors (continued)

Luke Sayers

National Managing Partner and CEO of PwC Australia. Luke leads the strategic direction of Australia's largest and most respected professional services firm. Luke is committed to ensuring PwC's clients receive the highest standards of services as well as ensuring an innovative and creative corporate culture for the firm's 5,500 staff. He first joined PwC in 1993 and became a partner in 2000. Luke is passionate about spending time with clients and communities. He joined the Board of Special Olympics Australia in 2011 and wants to use his passion to help inspire people with an intellectual disability to overcome challenges and achieve their personal best. Appointed on 16 June 2011.

Michael Slater AO

Major General Mick Slater is the Australian Army's Forces Commander who has undertaken a broad range of command, instructional and policy roles. Most recently, Mick was seconded to the Queensland Government where he was Chair of the Board of the QLD Reconstruction Authority following the state-wide devastating floods and cyclones in early 2011. Appointed on 22 October 2011. Resigned on 1 November 2013.

Nigel Milan AM

Nigel has a distinguished leadership and professional background in media, in radio and television. His role as Chief Executive Officer for SBS and the Royal Flying Doctor Service of Australia has connected him with some of the highest-profile individuals in Australia. Appointed on 9 July 2012.

Matthew (Michael) Hogan

Michael brings a depth of capability in the areas of public affairs, public profile management, policy analysis and government relations, and he is a wise counsel in matters to do with stakeholder management issues. He is a passionate believer in the work of Special Olympics Australia and has a son who has both participated and served in the organisation. Appointed on 9 July 2012.

Benjamin Haack

As a Special Olympic athlete, coach, volunteer and leader, Ben brings vast experience to his role on the Board. He has played sport at all levels, completed athlete leadership training and has already served on his regional committee as well as international committees and sports panels. Ben is the third athlete representative to the National Board continuing the good work of Kim Flannigan (SA) and Andrew Williams (VIC). Appointed on 26 May 2012.

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Directors' report (continued)

For the year ended 31 December 2013

2 Directors' meetings

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

Director	Board Meetings	
	A	B
Mark Streeting	5	5
Maxwell Jackson	5	5
Kim Bryan	5	5
Anthony McGrath	4	5
Robyn Sefiani	4	5
Anna-Louise Kassulke	4	5
Jonathan Scriven	3	5
Luke Sayers	4	5
Michael Slater AO *	3	4
Benjamin Haack	3	5
Matthew (Michael) Hogan	5	5
Nigel Milan AM	5	5

A – Number of meetings attended

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

* Michael Slater resigned on 1 November 2013.

3 Principal activities

The principal activities of the Company during the course of the financial year was promoting and supporting members in the development of sports training and competition for persons with an intellectual disability in accordance with the license granted by Special Olympics International.

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

4 Objectives and strategies

Short term and long term objectives

The Company's mission is to provide people with intellectual disability opportunities to access weekly local sport and sporting pathways that suit their abilities, aspirations and life-stage.

In the short term, the Company's aim is to double the number of athletes in our programs to 10,000 by 2015. In the long term, the Company will double that again to 20,000 athletes by 2020.

In 2013, the Company supported over 8,232 Australian athletes, allowing them to enjoy weekly sport, recreational activities and regular competition. However, with high non-participation rates still evident, the Company's challenge remains clear- to increase our reach.

Special Olympics Australia

Directors' report (continued)

For the year ended 31 December 2013

4 Objectives and strategies (continued)

Strategy for achieving objectives

To achieve this objective, the Company implemented the National Strategy for the period 2012 – 2015. The essence of this strategic framework is to encourage athletes to enjoy the 'athlete experience'. The 'athlete experience' is about celebrating – now and always – that athletes are at the centre of our work and the heart of our organisation.

Underpinned by the global mission and values of Special Olympics, the strategic framework is supported by three mission-driving principles that preserves our integrity and enables growth. These are:

Principle 1: Advance quality sports and competition

Principle 2: Build community partnerships

Principle 3: Connect fans and funds

There are two fundamental principles that act as enablers to the mission-driving principles. These are:

Principle 4: Develop a strong leadership and volunteer culture

Principle 5: Establish sustainable capabilities

Principles 4 and 5 are enabling dimensions that prepare and build the fabric of the organisation and its infrastructure for success. Both principles support the 'athlete experience' bringing together the core resources and capabilities to address our challenges.

Through 61 regional committees the Company has a framework to deliver sport at a local level. Through 7 State and Territory organisations the Company has the administrative support for these regions and at national office the Company services the organisation and provide national and international competition pathways.

Performance measurement

Overall success for Special Olympics Australia in 2015 will have the following outcomes:

- 10,000 Australians with an intellectual disability will be regularly engaged in sports training and competition through Special Olympics Australia.
- Major disability service providers and national/state/local sporting organisations will actively engage with Special Olympics Australia to provide sporting opportunities for people with an intellectual disability.
- Special Olympics Australia will have a core group of health professionals supporting athletes to lead more productive and healthier lives through the Healthy Athletes program.
- Athlete Leadership Programs will be operational in all states and territories with 400 athletes having completed training.
- The Company will have diverse streams of sustainable income with 75% of revenue from non-government sources.
- Funding from corporate partnerships, donations from corporate individuals, corporate support for fundraising events and sponsorship will have grown from 5% to 20% of total revenue (national and state income combined).
- Special Olympics Australia will have a strong leadership culture that attracts talented individuals and retains leaders across all levels of the organisation.
- The Company will have increased the number of registered volunteers from 3,000 to 4,500. 50% of this group will be corporate volunteers or those unrelated to an athlete.
- Community recognition and awareness of Special Olympics Australia will increase over the strategy period.
- Annual labour costs will not exceed 35% of total annual operating costs.

Special Olympics Australia

Directors' report (continued)

For the year ended 31 December 2013

5 Operating and financial review

The deficit of the Company for the year ended 31 December 2013 was \$1,177,875 (2012: \$205,785).

During the year the Company's income was derived primarily from donations, cause-related marketing, athlete registration fees, government grants and various income from fundraising events. Costs were primarily incurred in maintaining the national office.

The substantial increase in the deficit incurred when compared to the 2012 outcome can be largely attributed to the financial performance of the Asia Pacific Games ("APG"). The conduct of the APG was an enormous undertaking beyond the scope or complexity of any previous Games undertaken by the Company.

The financial performance of the APG was significantly worse than its budget. As is standard procedure, the APG were overseen by an independent Games Organising Committee (GOC) convened for that purpose. Whilst the size and complexity of the APG was well understood by the GOC, there was a substantial over estimation of the likely revenue to be generated, particularly from the perspective of the Opening Ceremony. There were other financial aspects of the APG that were also disappointing.

On balance, it is the view of the Directors that there was a fundamental breakdown in the governance of the APG that significantly impacted the ability of the Directors to influence its financial outcome in a manner that would not have introduced significant delivery risk with respect to all aspects of the Games.

6 Significant changes in the state of affairs

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

7 Environmental regulation

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

8 Dividends

No dividends were paid or declared by the Company to members in respect of the year ended 31 December 2013 (2012: nil). Section 254SA of the Corporations Act 2001 prohibits Companies Limited by Guarantee to pay any dividends.

9 Events subsequent to reporting date

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

10 Likely developments

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

Special Olympics Australia

Directors' report (continued)

For the year ended 31 December 2013

11 Indemnification and insurance of officers and auditors

Indemnification

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

Insurance premiums

During the financial year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2013 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2014. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

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

12 Proceedings on behalf of the Company

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

The Company was not a party to any such proceedings during the year.

13 Members' guarantee

The Company is a company limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. The number of members is 67 as at 31 December 2013 (2012: 59). The total amount that members of the Company are liable to contribute if the Company is wound up is \$6,700 (2012:\$5,900).

14 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the directors' report for the financial year ended 31 December 2013.

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



Mark Streeting
Chairman



Anthony McGrath
Director

Dated at Sydney this 24th day of April 2014.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Special Olympics Australia

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2013, there have been:

- (i) no contraventions of the auditor Independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Madeleine Mattera

Partner

Sydney

24 April 2014

Special Olympics Australia

Statement of comprehensive income

For the year ended 31 December 2013

<i>In AUD</i>	Note	2013	2012
Revenue			
Fundraising revenue	4	14,951,839	8,313,310
Government grants		1,231,677	1,268,328
Sports and program income		2,710,570	1,913,716
2013 Asia Pacific Games income		2,704,485	-
2010 National games income		-	14,188
Other revenue	5	692,776	433,107
		<u>22,291,347</u>	<u>11,942,649</u>
Expenses			
Fundraising expenses	6	(12,576,109)	(6,246,720)
Sports and program expenses		(3,383,443)	(2,499,974)
2013 Asia Pacific Games expenses		(4,210,420)	-
Employee benefit expenses	7	(2,250,666)	(2,523,473)
Administration expenses		(561,696)	(644,612)
Other expenses		(486,888)	(233,655)
		<u>(23,469,222)</u>	<u>(12,148,434)</u>
Deficit before tax		(1,177,875)	(205,785)
Tax expense		-	-
Deficit for the year		<u>(1,177,875)</u>	<u>(205,785)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(1,177,875)</u>	<u>(205,785)</u>

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

Special Olympics Australia

Statement of financial position

As at 31 December 2013

<i>In AUD</i>	<i>Note</i>	2013	2012
Assets			
Cash and cash equivalents	8	4,377,328	3,048,487
Receivables	9	690,055	293,055
Other assets		19,235	85,025
Prepayments		52,907	67,665
Total current assets		5,139,525	3,494,232
Property, plant and equipment	10	55,597	33,489
Intangible assets	11	-	1,521
Total non-current assets		55,597	35,010
Total assets		5,195,122	3,529,242
Liabilities			
Trade and other payables	12	2,750,161	220,996
Unearned income	13	963,241	561,767
Employee benefits	14	144,118	129,492
Total current liabilities		3,857,520	912,255
Unearned income	13	-	100,000
Employee benefits	14	33,062	34,572
Total non-current liabilities		33,062	134,572
Total liabilities		3,890,582	1,046,827
Net assets		1,304,540	2,482,415
Members' funds		1,304,540	2,482,415

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

Special Olympics Australia

Statement of changes in members' funds For the year ended 31 December 2013

<i>In AUD</i>	Members' funds
Balance at 1 January 2012	2,688,200
Total comprehensive income for the year	
Deficit for the year	(205,785)
Other comprehensive income	-
Total comprehensive income for the year	<u>(205,785)</u>
Balance at 31 December 2012	<u>2,482,415</u>
Balance at 1 January 2013	2,482,415
Total comprehensive income for the year	
Deficit for the year	(1,177,875)
Other comprehensive income	-
Total comprehensive income for the year	<u>(1,177,875)</u>
Balance at 31 December 2013	<u>1,304,540</u>

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

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Statement of cash flows

For the year ended 31 December 2013

In AUD

	Note	2013	2012
Cash flows from operating activities			
Cash receipts from supporters		21,100,490	11,239,259
Cash receipts from government grants		1,370,078	1,269,329
Cash paid to employees		(2,237,550)	(2,523,473)
Cash paid to suppliers		(18,930,448)	(10,076,404)
Cash generated from/(used in) operating activities		<u>1,302,570</u>	<u>(91,289)</u>
Interest received		84,546	70,666
Net cash from/(used in) operating activities		<u>1,387,116</u>	<u>(20,623)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(58,275)	(42,946)
Net cash used in investing activities		<u>(58,275)</u>	<u>(42,946)</u>
Cash flows from financing activities			
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		1,328,841	(63,569)
Cash and cash equivalents at beginning of year		3,048,487	3,112,056
Cash and cash equivalents at end of year	8	<u>4,377,328</u>	<u>3,048,487</u>

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

Special Olympics Australia

Notes to the financial statements

For the year ended 31 December 2013

1 Reporting entity

Special Olympics Australia (the Company) is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is Sports House Level 1, 6A Figtree Drive, Sydney Olympic Park, NSW 2127. The financial statements of the Company are as at and for the year ended 31 December 2013.

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

2 Basis of preparation

(a) Statement of compliance and differential reporting framework

The Company early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 January 2013 to prepare Tier 2 general purpose financial statements.

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board, the Corporations Act 2001, the Charitable Fundraising (NSW) Act 1991 and Regulations and WA Charitable Collections Act 1946 and WA Charitable Collections Regulation 1947.

The financial statements were authorised for issue by the Board of Directors on 24 April 2014.

(b) Basis of measurement

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

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

2 Basis of preparation (continued)

(e) Changes in accounting policies

Short-term employee benefits

The Company has adopted AASB119 Employee Benefits (2011) with a date of initial application of 1 January 2013.

As a result of AASB119 (2011), the Company has changed its accounting policy with respect to the definition of short-term employee benefits. The amended AASB119 (2011) defines the short-term benefits as benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. It was previously defined as those due to be settled within 12 months after the end of the period in which employees render the related service. This change may result in benefits previously classified as short-term being treated as other long-term employee benefits and measured on a discounted basis.

The Company assessed short-term employee benefits on adoption of the revised standard and noted it to have no impact to the Company's financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2(e) which address changes in accounting policies.

(a) Financial instruments

(i) *Non-derivative financial assets*

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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following category of non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Non-derivative financial liabilities

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

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade payables.

(b) Property, plant and equipment

(i) Recognition and measurement

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

- office equipment 2-5 years

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

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(c) Intangible assets

Website and software development

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(i) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(ii) *Amortisation*

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful life of website and software development for the current and comparative years is 3 years.

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

(d) Impairment

(i) *Non-derivative financial assets*

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

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

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

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

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(d) Impairment (continued)

(i) *Non-derivative financial assets (continued)*

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

(ii) *Non-financial assets*

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

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

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

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

(e) Employee benefits

(i) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) *Other long-term employee benefits*

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

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

3 Significant accounting policies (continued)

(e) Employee benefits (continued)

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(f) Revenue

(i) Gift voucher program

Revenue from the gift voucher program is recognised on receipt.

(ii) Donations and fundraising

Revenues from donations and sponsorship are recognised on receipt or agreed commitment. Revenues from fundraising activities are recognised on receipt or acknowledgment of a debt.

(iii) Sports and program income and athletes fees

Sports and program income and athletes fees are recognised on receipt.

(iv) Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(g) Government grants

The Company's sporting and health promotion activities are supported by Federal and State governments. Grants received on the condition that specified services are delivered, or conditions are fulfilled are considered reciprocal. Such grants are initially recognised as a liability (unearned income), and revenue is recognised as services are performed or conditions fulfilled. Any revenue received from non-reciprocal grants is recognised when received.

(h) Income tax

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

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Special Olympics Australia

Notes to the financial statements (continued) For the year ended 31 December 2013

4 Fundraising revenue

<i>In AUD</i>	2013	2012
Gift voucher program	12,212,455	5,590,612
Donations and sponsorships	755,328	838,851
Fundraising functions	1,984,056	1,883,847
	<u>14,951,839</u>	<u>8,313,310</u>

5 Other revenue

<i>In AUD</i>	2013	2012
Athletes fees	229,706	283,264
Interest income	84,546	70,666
Sale of merchandise	88,839	16,026
Sundry income	289,685	63,151
	<u>692,776</u>	<u>433,107</u>

6 Fundraising expenses

<i>In AUD</i>	2013	2012
Gift voucher program	11,708,599	5,395,509
Fundraising functions expense	186,083	744,677
Events	558,020	65,615
Run with the law	-	12,906
Raffle expenses	-	12,412
Other function costs	123,407	15,601
	<u>12,576,109</u>	<u>6,246,720</u>

7 Employee benefit expenses

<i>In AUD</i>	2013	2012
Wages and salaries	2,050,362	2,313,246
Superannuation	156,101	152,450
Other employee expenses	44,203	57,777
	<u>2,250,666</u>	<u>2,523,473</u>

Special Olympics Australia

Notes to the financial statements (continued) For the year ended 31 December 2013

8 Cash and cash equivalents

<i>In AUD</i>	2013	2012
Cash at bank	3,306,575	2,476,861
Term deposit	1,067,313	567,918
Petty cash	3,440	3,708
Cash and cash equivalents in the statement of cash flows	<u>4,377,328</u>	<u>3,048,487</u>

9 Receivables

<i>In AUD</i>	2013	2012
Current		
Receivables	773,514	293,055
Allowance for impairment	(83,459)	-
	<u>690,055</u>	<u>293,055</u>

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

<i>In AUD</i>	2013	2012
Balance at 1 January	-	-
Amounts provided for during the year	83,459	-
Balance at 31 December	<u>83,459</u>	<u>-</u>

10 Property, plant and equipment

<i>In AUD</i>	Office equipment
Cost	
Balance at 1 January 2013	137,919
Additions	58,275
Balance at 31 December 2013	<u>196,194</u>
Accumulated depreciation	
Balance at 1 January 2013	104,430
Depreciation for the year	36,167
Balance at 31 December 2013	<u>140,597</u>
Carrying amounts	
At 1 January 2013	33,489
At 31 December 2013	<u>55,597</u>

During the year, \$36,167 (2012: \$36,177) of depreciation expense was recognised and included in 'other expenses' in the statement of comprehensive income.

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

11 Intangible assets

<i>In AUD</i>	Website and software development
Cost	
Balance at 1 January 2013	30,224
Balance at 31 December 2013	<u>30,224</u>
Accumulated amortisation	
Balance at 1 January 2013	28,703
Amortisation for the year	1,521
Balance at 31 December 2013	<u>30,224</u>
Carrying amounts	
At 1 January 2013	1,521
At 31 December 2013	<u>-</u>

During the year, \$1,521 (2012: \$10,869) of amortisation expense was recognised and included in 'other expenses' in the statement of comprehensive income.

12 Trade and other payables

<i>In AUD</i>	2013	2012
Current		
Trade payables	550,321	220,996
Asia Pacific Games payables	2,199,840	-
	<u>2,750,161</u>	<u>220,996</u>

13 Unearned income

<i>In AUD</i>	2013	2012
Current		
Reciprocal government grants to be acquitted	573,242	451,838
Other income received in advance	389,999	109,929
	<u>963,241</u>	<u>561,767</u>
Non-current		
Reciprocal government grants to be acquitted	-	100,000

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

14 Employee benefits

<i>In AUD</i>	2013	2012
Current		
Liability for annual leave	144,118	129,492
Non-current		
Liability for long service leave	33,062	34,572

15 Related parties

Key management personnel compensation

The total key management personnel compensation was \$513,359 for the year ended 31 December 2013 (2012: \$685,178).

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Other related party transactions

There were no other related party transactions for the year ended 31 December 2013 (2012: nil).

16 Events after the reporting date

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 December 2013.

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

17 Fundraising activities

Below is additional financial information for the year ended 31 December 2013 furnished under the Charitable Fundraising Act (NSW) 1991 and the Office of Liquor, Gaming and Racing Fundraising Authority conditions.

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

<i>In AUD</i>	2013	2012
Revenue recognised from fundraising appeals, events and donations	14,951,839	8,313,310
Total cost of fundraising appeals, events and donations	<u>(12,576,109)</u>	<u>(6,246,720)</u>
Net surplus from fundraising appeals	2,375,730	2,066,590
Net margin from fundraising activities	16%	25%

The increase in fundraising costs are due to increased activities from the third party outsourced fundraising voucher program implemented in 2011.

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

<i>In AUD</i>	2013	2012
Revenue recognised from fundraising appeals, events and donations (excluding gift voucher program)	2,739,384	2,722,698
Total cost of fundraising appeals, events and donations (excluding gift voucher program)	<u>(867,510)</u>	<u>(851,211)</u>
Net surplus from fundraising appeals (excluding gift voucher program)	1,871,874	1,871,487
Net margin from fundraising activities (excluding gift voucher program)	68%	69%

(b) Application of funds for charitable purposes

During 2013, the Company achieved a net surplus of \$2,375,730 (2012: \$2,066,590) from fundraising appeals and donations, net deficit of \$672,873 (2012: \$586,258) from sports contributions/sponsorships, \$1,231,677 (2012: \$1,268,328) was received in Government grants, and \$692,776 (2012: \$433,107) from other revenue. The total net surplus available for expenditure on programs for providing sport opportunities for people with an intellectual disability is \$2,121,375 (2012: \$3,181,767).

<i>In AUD</i>	2013	2012
Surplus available to spend on the Company's projects	2,121,375	3,181,767
Less:		
Training of coaches	57,616	16,427
Community development program	945,280	1,052,206
Sports training and competition	900,266	1,017,133
Communications	202,560	214,505
Infrastructure and administration	<u>1,193,528</u>	<u>1,087,281</u>
	<u>3,299,250</u>	<u>3,387,552</u>
Net (deficit) to be funded/surplus to be spent on future projects	<u>(1,177,875)</u>	<u>(205,785)</u>

Special Olympics Australia

Notes to the financial statements (continued)

For the year ended 31 December 2013

17 Fundraising activities (continued)

(c) Comparison of certain monetary figures and percentages

	2013 \$	2013 %	2012 \$	2012 %
Direct cost of fundraising/ Gross income from fundraising	12,576,109 14,951,839	84%	6,246,720 8,313,310	75%
Net surplus from fundraising/ Gross income from fundraising	2,375,730 14,951,839	16%	2,066,590 8,313,310	25%
Total cost of services/ Total expenditure	10,893,113 23,469,222	46%	5,901,714 12,148,434	49%
Total costs of services/ Total income received	10,893,113 22,291,347	49%	5,901,714 11,942,649	49%

(d) Comparison of certain monetary figures and percentages excluding the income and expenses of Asia Pacific Games

Direct cost of fundraising/ Gross income from fundraising	12,576,109 14,951,839	84%	6,246,720 8,313,310	75%
Net surplus from fundraising/ Gross income from fundraising	2,375,730 14,951,839	16%	2,066,590 8,313,310	25%
Total cost of services/ Total expenditure	6,662,146 19,238,255	35%	5,901,714 12,148,434	49%
Total costs of services/ Total income received	6,662,146 19,639,473	34%	5,901,714 11,942,649	49%


Special Olympics Australia

Directors' declaration


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

- (a) the financial statements and notes, set out on pages 9 to 24, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the provision of the Charitable Fundraising Act (NSW) 1991 and the Regulations under the Act and the conditions attached to the authority have been complied with.
- (d) the provision of the WA Charitable Collections Act 1946 and the Regulations under the Act and the conditions attached to the authority have been complied with.

Signed in accordance with a resolution of directors.



Mark Streeting
Chairman



Anthony McGrath
Director


Dated at Sydney this 24th day of April 2014.

Special Olympics Australia

Declaration by Director in respect of fundraising appeals

I, A. McGrath, Director of Special Olympics Australia, declare in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Special Olympics Australia with respect to fundraising appeal activities for the financial year ended 31 December 2013;
- (b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2013;
- (c) the provisions of the Charitable Fundraising Act (NSW) 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 31 December 2013; and
- (d) the internal controls exercised by Special Olympics Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Director

Dated at Sydney this 24th day of April 2014.

Special Olympics Australia

Declaration by Director in respect of Office Bearer's Statement

I, A. McGrath, Director of Special Olympics Australia, declare in my opinion:

Statement of Accounts

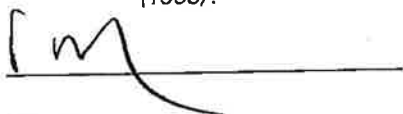
- 1 The accounts give a true and fair view of all income and expenditure of the licence holder as at the end of the financial year and of the results of its operations and its cash flows for the financial year.
- 2 The Statement of Financial Position gives a true and fair view of the state of affairs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

Financial Control Requirements

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

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

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



Director

Dated at Sydney this 24th day of April 2014.



Independent auditor's report to the members of Special Olympics Australia

We have audited the accompanying financial report of Special Olympics Australia (the Company) which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in member's funds and statement of cash flows for the year then ended, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration. The directors' declaration reference the Company's compliance with the relevant charitable acts, with separate declarations made by the Director on (1) fundraising appeals and (2) Office Bearer's Statement, being pages 26 and 27 respectively. This audit report has also been prepared for the members of the Company pursuant to Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946.

Part A – NSW Charitable entity reporting

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 Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 judgement, 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 entity's preparation of the financial report that gives a true and fair view 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 entity'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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.



Independent auditor's report to the members of Special Olympics Australia

In addition, our audit report has also been prepared for the members of the Company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and with the requirements of the WA Charitable Collections Act 1946 and the Charitable Collections Regulations 1947. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991, WA Charitable Collections Act 1946 and related Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for qualified auditor's opinion

Donations and fundraising activities are a significant source of revenue for Special Olympics Australia. Special Olympics Australia has determined that it is impracticable to establish controls over the collection of charitable donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to charitable donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the charitable donations recorded by Special Olympics Australia are complete.

In respect of the qualification however, based on our understanding of the internal controls, nothing has come to our attention which would cause us to believe that the internal controls over revenue from fundraising appeal activities by the Company are not appropriate given the size and nature of the Company.



Independent auditor's report to the members of Special Olympics Australia

Qualified auditor's opinion pursuant to the Corporations Act 2001

In our opinion, except for possible effects of the matter described in the Basis for qualified opinion paragraph, the financial report of Special Olympics Australia is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

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

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 31 December 2013;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2013 to 31 December 2013, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 1 January 2013 to 31 December 2013 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- d) there are reasonable grounds to believe that Special Olympics Australia will be able to pay its debts as and when they fall due.



Independent auditor's report to the members of Special Olympics Australia

Part B – Report on Compliance with the WA Charitable Collections Act 1946 and the Charitable Collections Regulations 1947

We have performed an engagement pursuant to section 15(1) and 15(2) of the WA Charitable Collections Act 1946 (the "Act") to provide reasonable assurance in relation to the compliance of Special Olympics Australia's Office Bearer's Statement on page 27 ("the Statement") with the requirements of the WA Charitable Collections Act 1946 and the Charitable Collections Regulations 1947 ("the Regulations") for the year ended 31 December 2013.

Directors' responsibility for compliance with the WA Charitable Collections Act 1946 and the Charitable Collections Regulations 1947

The directors of the Company are responsible for complying with the requirements of the WA Charitable Collections Act 1946 and the Charitable Collections Regulations 1947 and for the preparation of the Statement. This responsibility includes establishing and maintaining internal control relevant to ensuring compliance with the Act and Regulations and preventing and detecting fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on compliance of the Statement with the Act and Regulations.

We conducted our reasonable assurance engagement in accordance with applicable Australian Standards on Assurance Engagements to provide reasonable assurance that Special Olympics Australia has complied, in all material respects, with the Act and the Regulations for the year ended 31 December 2013, as outlined in their Statement. Our procedures included examination on a test basis of evidence supporting compliance with those requirements described in the Statement. These procedures have been undertaken to form a conclusion as to whether Special Olympics Australia has complied, in all material respects, with the WA Charitable Collections Act 1946 and WA Charitable Collections Regulation 1947 for the year ended 31 December 2013.

This report has been prepared for the Directors of Special Olympics Australia pursuant to section 15(1) and 15(2) of the Act. We disclaim any assumption of responsibility for any reliance on this report to which it relates to any person other than Special Olympics Australia and The Charitable Collections Advisory Committee of the Government of Western Australia, or for any purpose other than for which it was prepared.



Independent auditor's report to the members of Special Olympics Australia

Inherent limitations

Because of the inherent limitations of any internal control framework, it is possible that fraud, error or non compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non compliance with the Act and the Regulations as outlined in the Statement, as a reasonable assurance engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with the Act and the Regulations are undertaken on a test basis.

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

Basis for qualified auditor's opinion

Donations and fundraising activities are a significant source of revenue for Special Olympics Australia. Special Olympics Australia has determined that it is impracticable to establish controls over the collection of charitable donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to charitable donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the charitable donations recorded by Special Olympics Australia are complete. The Office Bearer's Statement does not disclose details of this matter.

Further, during the period there was a change in Special Olympics Australia's executive officer; specifically the Chief Executive Officer. We report that the Minister was not provided notice of this change within one month after the change was made in accordance with Section 8 (2) of the Regulations. The Office Bearer's Statement does not disclose details of this matter.

Further, Special Olympics Australia did not provide evidence of receipts being given for all money received in accordance with conditions attached to the authority. The Office Bearer's Statement does not disclose details of this matter.

Qualified Opinion

In our opinion, except for the matters described in the Basis for qualified auditor's opinion paragraph above, the Office Bearer's Statement declared by Special Olympics Australia has complied, in all material respects, with the WA Charitable Collections Act 1946 and WA Charitable Collections Regulation 1947 for the year ended 31 December 2013.

KPMG

KPMG

Madeleine Mattera

Partner

Sydney

24 April 2014