

annual report

2004-2005



Our Vision

Melbourne's west working together as a proud, vibrant and successful community.

Our Purpose

Western Chances assists young people in the Western Suburbs to realise their potential through the provision of scholarships.

We create economic, social, cultural and educational opportunities for talented and self motivated young people where our resources and support make a difference.

Western Chances' partnerships and programs support the development of the west as community-improving skills, building pride and enhancing employment opportunities.

Bringing out the best in the West.

Guiding Principles

Award merit based scholarships that are targeted to young people who have limited opportunities and resources.

Provide programs and opportunities that advance the talents and interests of young people in Melbourne's West.

Develop partnerships with companies, organisations and individuals who share our values.

Celebrate the talent of young people.

Promote the strengths of the community.

Ensure the sustainability of the organisation.



From the Chair

It is now nearly two years on since the concept of Western Chances was born and I can proudly say that Western Chances has now become a recognised brand in Melbourne's West, and very much a part of everyday life for many of the schools and families in the West – where our young people live.

We have awarded over 140 scholarships to date. These scholarships are unique to every individual's needs, are timely and relevant, and continue year on year, should the young person continue to demonstrate their talent and motivation. These scholarships, and other related programs we are developing, are ultimately about opening doors and growing a sustainable support vehicle for tomorrow's leaders in the West – financially, socially and culturally.

Our network is growing. This is because the impact on the lives of the many young people we support is being recognized by more people every day – our network includes people who live, work or have business interests in the Western Suburbs, or who simply share our vision and choose to be a part of this powerful program for the West. We thank them for recognising that supporting Western Chances is as much a cultural and social commitment as it is financial – not only are we creating opportunities for young people to pursue their individual talents and life goals, but we are also building a culture of pride and self esteem, and often turning young lives and families around. It is a very rewarding experience to be a part of.

We have had a very successful year of developing partnerships with businesses, philanthropic foundations and individuals who share our vision and choose to Invest in the West. We thank our many partners who make the work we do possible and also so enjoyable.

We look forward to continuing to grow our partnerships and building successful journeys for our young people in 2006 and beyond.

A handwritten signature in black ink that reads "Terry Bracks".

Terry Bracks

CHAIR

Our Patron

His Honour Justice Frank Vincent

The West is rich in talented young people who, given encouragement and opportunity, can achieve much, not only for themselves but for the community in which they live. I am proud to be associated with the endeavours of Western Chances and its partners to provide an avenue for an increasing number of them to overcome limiting disadvantage and give them the confidence to aspire.



The Board

Terry Bracks BEd GradDip AppSc

FOUNDING CHAIR

Terry Bracks is Patron of Heide Gallery and Big Brothers Big Sisters; Chair of Computers for Every Child; Co-Chair of the East Timor Friendship Schools Project; Board Member of the Breast Cancer Network Australia and the Australian Children's Television Foundation and the Number One Female Ticket Holder of the Melbourne Football Club.

Terry Bracks has a Bachelor of Education from Rusden, a Graduate Diploma in Applied Science from the West Australian Institute of Technology and is completing a Graduate Diploma in Student Welfare at Melbourne University. Terry has worked as a teacher in regional Victoria and as an electorate officer to Federal MPs.

Terry is the Founding Chair of Western Chances and the Chair of the Western Chances Audit Committee.

Lynne Wannan BA. Dip.Ed

DEPUTY CHAIR

Lynne Wannan is Convener of the National Association of Community Based Children's Services and Chair of its Victorian branch; Chair of Community Child Care Victoria, Chair of the Victorian Children's Council, advising Premier and Minister for Children, and Chair of the Adult Community and Further Education Board of the Victorian Department of Education and Training; and a Member of the Victorian Qualifications Authority, Victorian Learning and Skills Commission, Child Care Reference Group of the Commonwealth Department of Family and Children's Services and Post-Compulsory Education Reference Group of the City of Hobson's Bay. Lynne is also a past Manager of Community Services for the City of Sunshine.

Lynne is the Deputy Chair of Western Chances, Chair of the Western Chances Program Development Subcommittee and a member of the Audit Committee.

Rozanna (Roz) Zalewski BA LLB GradCertEthics

BOARD MEMBER

Roz Zalewski is a Board Member of the International Humanitarian Law Advisory Committee and the Australian Red Cross (Victoria) and a past Board Member of the International Commission of Jurists (Victorian Branch) and the Lady Gowrie Child Care Centre Ltd.

Roz has a Bachelor of Arts from LaTrobe University, a Bachelor of Laws from Melbourne University and a Graduate Certificate in Professional Ethics from Melbourne University. She is currently employed by the Legal Ombudsman of Victoria as Investigations and Standards Advisor.

Roz is a Board Member of Western Chances and the Chair of the Western Chances Governance Subcommittee.

Annamarie Faulkner BEd DipEd GradDipMmnt

BOARD MEMBER

Annamarie Faulkner is a Board Member of the Barwon Emergency Services Blue Ribbon Foundation, and a Member of the Rotary Club of Geelong and the Smart Geelong Network

Annamarie has a Bachelor of Education, a Diploma of Education and a Graduate Diploma of Management from the Melbourne Business School. She is Executive Director of the Barwon Health Foundation, responsible for strategic growth in marketing, public relations and fundraising.

Annamarie is a Board Member of Western Chances and the Chair of the Fundraising and Development Subcommittee.

Patrick J Flannigan BBus FAIM FAICD Dip

BOARD MEMBER

Patrick has over twenty-five years commercial experience in the industrial services, hospitality and tourism sectors. He has held senior positions up to CEO level with responsibilities for a wide range of activities including finance, operations and marketing. Patrick is currently the CEO of Service Stream Ltd and serves on the board of several companies, both public and private.

Patrick is a Fellow of the Australian Institute of Management, a Fellow of the Australian Institute of Company Directors and has a Business Degree from Victoria University.

Patrick is a Board Member of Western Chances and the Chair of the Western Chances Finance Subcommittee.

Rosie Salvaris BA DipEd GradDipEdAdm GradDip Civil Celeb

BOARD MEMBER

Rosie Salvaris has a Bachelor of Arts, Diploma of Education, Graduate Diploma of Educational Administration and a Graduate Diploma of Civil Celebrants. She is the Principal of a large secondary school with over 1,500 students and is a well-known educational leader with strong knowledge of corporate governance, finance, fundraising and human resource management.

Rosie is a Board Member of Western Chances and a Member of the Programs Subcommittee.

Kelvyn Lavelle MA GradDipUrbResearch

BOARD MEMBER

Kelvyn is Chairman of the Australian Research Group, a Board Member of the Melbourne Writers Festival and a regular commentator on media issues for 774 ABC Radio.

Kelvyn has a Master of Arts and a Graduate Diploma in Urban Research. He is currently employed by CPR Communications and Public Relations and directs media, community and Government relations strategies for a diverse range of clients. Kelvyn has been the past Manager of Training and Youth Affairs for the Commonwealth Department of Education, Training and Youth Affairs.

Kelvyn is a Board Member of Western Chances and a Member of the Western Chances Fundraising and Development Subcommittee.

Carol Schwartz BA LLB MBA

BOARD MEMBER

Carol is a Director of Highpoint Property Group, responsible for Highpoint Shopping Centre, one of Australia's largest regional shopping centres.

Carol has a diverse background incorporating the arts, law and business administration. She is the current Chairman of Industry Superannuation Property Trust (ISPT) and Our Community, as well as a director on a number of significant boards.

In May 2005 she was appointed as Chairman for the Melbourne International Arts Festival. Ms Schwartz currently serves as a board member of the Museum of Contemporary Art Sydney and is Chairman for the Vic Urban Art Panel Advisory Committee.

Carol's previous appointments included terms as National President Property Council of Australia, board member Docklands Authority, council member for the Victorian College of the Arts, board member National Gallery of Victoria, NGV Contemporary Committee, council member National Gallery of Australia, Chairman of the Old Treasury Building Victoria, council member Australian Ballet School and board member Comedy Festival board.

Carol is recognized as one of Australia's leading business executives. In April 2003 she was awarded the Centenary Medal in recognition for her outstanding service as a leading business executive and committee participant.

Carol is a Board Member of Western Chances and a Member of the Fundraising and Development Subcommittee and the Audit Committee.

Deborah Beale BComm MBA

BOARD MEMBER

Deborah Beale is Director of Ernst and Young's Risk and Technology Group in Melbourne, specialising in Governance Advisory Services.

Deborah has a Bachelor of Commerce from the University of Melbourne and a Masters of Business Administration from Melbourne Business School. Deborah has broad experience in the areas of finance, corporate governance, fundraising, public relations and risk management.

Deborah is a Board Member of Western Chances and a Member of the Governance Subcommittee.

Rosalind Willett BEd

BOARD MEMBER

Rosalind Willett is Managing Director of marketing agency John Willett and Associates.

Ros has a Bachelor of Education and has held teaching, Deputy Principal and Principal positions in Secondary Schools, including the development and provision of specialist education programs for disadvantaged youth. Ros has extensive experience in corporate and government sponsorship, events, community and education communication programs.

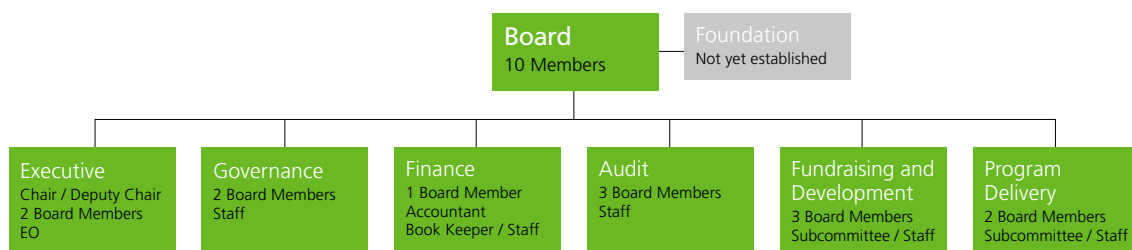
Ros is a Board Member of Western Chances and a Member of the Western Chances Fundraising and Development Subcommittee.

Attendance at Board Meetings 2004-2005

Board Member	20 Aug 04	22 Oct 04	26 Nov 04	25 Feb 05	22 Apr 05	24 Jun 05	Total: 6
Deborah Beale	1		1	1	1	1	5
Terry Bracks	1		1	1		1	4
Annmarie Faulkner		1	1	1	1	1	5
Patrick Flannigan	1		1			1	3
Kelvyn Lavelle				1	1	1	3
Rosie Salvaris	1		1	1	1	1	5
Carol Schwartz	1			1		1	3
Ros Willett*			1	1	1	1	4
Lynne Wannan	1	1	1	1		1	5
Roz Zalewski		1	1	1	1	1	5

* Ros Willett was invited to join the Board in October

Board and Governance Structure



Western Chances Programs



Our **scholarship program** is our core program. Scholarships which assist at a relevant and critical time in a young person's life is at the heart of what we do.

We aim to add value for our scholarship recipients through our proposed new **Pathways Program**. All of our scholarship recipients will receive the value of our qualified staff and mentors assisting them in creating a pathway for their future, accessing the programs, resources and networks which we have access to, and enabling them to advance their talents and skills through very focused and targeted opportunities – all tailored to their needs.

All scholarship recipients become members of the **Western Chances Alumni Community** – a community of young people who feel proud, supported and equipped to pursue their life goals and realise their potential.

We have successfully conducted two LEAP Programs (Leadership Enhancement Activity Programs) with Orchestra Victoria and the Australian Centre for the Moving Image (ACMI). These programs are focused on building community – creating cultural and social opportunities for young people in the schools in the West to broaden their horizons or advance their skills in a particular area (being music or digital media). For our partner organisations in Orchestra Victoria and ACMI, they have the opportunity to extend their services to the West and broaden the exposure of their products.

Young people who participate in LEAP Programs are able to apply for scholarships and if successful, ultimately become part of the Western Chances Alumni Community.

With all of this, we are building a community. A community of young people who feel proud, supported and equipped to pursue their lives and maximise their potential.



The Western Chances ACMI Digital Story Telling Group



Orchestra Victoria and Western Chances
the mOVe concert

Some direct feedback/quotes from our nominators and young people:

Nominators: Principals and Teachers:

“The value of these scholarships for students has been immeasurable. One cannot put a value upon the lifting of self-esteem and a belief in themselves that these students have received from the Western Chances Scholarships.”

“We have end of term interviews with each student. The student I was speaking to had not handed in much homework for the year. When I asked how he was enjoying school his reply to all my questions was NOT. Then I asked was there anything in his life that was captivating his attention. He said, yes the Digital Story Telling Program.....”

“These scholarships recognise the hard work the students put in and encourage enthusiasm for an area in which they show a particular talent.”

“Just a note to thank WC for the organisation of the recent workshops with Orchestra Victoria. Our school fosters music in our curriculum and to provide the opportunity for them to work with musicians at the elite level in many ways is life changing for them.”

“One of our students was fortunate enough to have a Cello donated to him by a Stringed Instrument Maker in Castlemaine. While I understand they seek no publicity, I’m sure this alliance would not have occurred if it wasn’t for your program. Naturally our student is ‘Over the moon’.”

“Thank you from the bottom of my heart for making a difference in our students lives.”

“Western Chances has changed the lives of students in our school.”

“They now can see a future and have renewed vigour and enthusiasm for life. Life has a new meaning as it has a purpose and a future.”

Young people:

"I would like to thank WC for giving me a scholarship for the second time. It is a great privilege and greatly appreciated. I was very proud and honoured when I was presented with my second certificate on Tuesday."

"I didn't know so many clever people lived in the west-wow, it's OK to live in the west (after the launch)."

"The Western Chances Scholarship has kept me at school. Because of the scholarship I started to attend school regularly. I didn't realise that when I actually attended school I could achieve so much. Now I will be the first person in my family to attend University."

"Dancing is my passion and my life. I am now able to learn dance with exceptional teachers because of Western Chances. I tried to earn my own money to pay for my dancing lessons, because they are soooo expensive. However my school grades dropped so now with the scholarship everything is working so well again."

"ACMI: These past two months have been surreal and have changed the way I think. I believe all of this wouldn't have been possible without your help."

"ACMI: Paired up with Industry Professionals, I was able to pick up tricks of the trade and was shed some insight about successful movie making. I learnt skills in the digital story telling that not even my teachers know at school. But mostly importantly the skills I learnt will be carried on into my own movie making ventures in the future."

"I learnt what it was like to be a movie maker and how much sacrifices need to be made. I worked many hours into the night so I can have material to work with. It's this hard work ethic instilled on us that made the program so successful."

Lynne Wannan

CHAIR PROGRAMS SUBCOMMITTEE
DEPUTY CHAIR WESTERN CHANCES

Scholarships Report

Western Chances Data Report 2004-2005

	Round 2 2004 & Round 1 2005	Renewals Rounds Pilot Round & Round 1 2004
No Scholarships	109	17
Female	58	9
Male	51	8
Total Value	\$71,212.00	\$16,691.00
Average value	\$653.32	\$981.82
Average age	16.26	16.14

This data reflects the scholarship period for this Annual Report.

The core program for Western Chances is our scholarship program which supports and promotes talented and resource needy young people from the ages of five to 25 in Melbourne's West.

The total number of new scholarships and renewed scholarships for this period are 126 for an expenditure of approximately \$87,903.

The award table is self explanatory.

It is interesting to reflect upon the relatively equal number of males and females and an average age range of just over 16 years.

It is exciting to work with these promising young people, many of whom we believe will be our community leaders of the future.

Award Description	No
Art Supplies	1
Books and Texts	24
Computer and Internet Connection	41
Computer desk and chair	1
Course – DVD or Film Production	1
Course – Software Development (7-12) – 1 year	1
Courses in Accounting and Business Studies and VCE (part uniform)	1
Educational Travel	1
Equipment – Musical	2
Equipment – Sporting	8
Graphics Calculator	14
Internet Connection	2
National Science Forum	2
National team	1
Share of computer	2
Sheet music	1
Software	2
Special leadership experience	1
Swimming lessons	1
TAFE Costs	1
Travel Card	11
Travel to National Championships	3
Tuition – Art	2
Tuition – Dance	7
Tuition – Drama	2
Tuition – Language	2
Tuition – Music	6
Tuition – Screen Actors' Studio	1
Tuition – Story writing and guitar	1
University texts, fees	5
VCE lectures	4
World Team	1

Western Chances Marketing and Development Report

During the past twelve months to June 2005, WC has been focusing on assessing, developing and positioning Western Chances as an organisation worthy of the community's investment.

The Board has worked to raise the profile of Western Chances and inspire industry leaders, education institutions, local government, business and the media to buy into our work with young people in the West. In particular the Board thanks David Warwick, and the staff of Smart Works, Kelvin Lavelle, and the staff of CPR Communications & Public Relations, Jane Collinson, Ros Willett and JWA Marketing, Helen Worlidge, Jade Moffat and Maureen Short from Qenos for their outstanding contribution.

The success of the marketing and development effort can be seen in the development of many outstanding long-term business and community partnerships, pro bono support and anonymous donors and sponsors.

We thank:

AGL	Fitzgerald Optometry	Qenos
ALP	Freehills	Rotary International
Annamilla	GRID Pty Ltd	(Rotary Club of Wyndham)
Bayside Engineering	Grosman Family Foundation	Shaun Sellwood
Big Brother/Big Sister	Hylite Drapes	Smart Works
Bill Shannon	Infoxchange	Smorgon Steel
Careers By Design	Jreissati Foundation	Sony Foundation
Cas Bukor	Kidz Digz	Staff of Orchestra Victoria
Chances for Children	Komodo CMS	Tennis Australia
Chris Canavan	KPMG	Tattersall's
Communications and Public Relations Pty Ltd	Lord Mayor's Charitable Fund (Anne & Eldon Foote)	The Magistrates Courts of Victoria
Daimler Chrysler	Man Chu Wan	Toll
Denis Moriarity	Melbourne Community Foundation (Mc.Gregor Family)	Transurban
Department of Education and Training – Western Region	Michael Burston	Victoria Police
Dreampool	NuFarm	Victoria University
Education Foundation Inc.	No.12	Western Bulldogs
Educational Software System	Orchestra Victoria	Western Health
Events and Facilities	OurCommunity	Western Water
Group International	Pratt Foundation	Westpac
Ernst & Young	Printrun	WREDO
		Zouki Enterprises Pty Ltd

We thank the above supporters for their commitment, both financial and in kind. This success resulted in the employment of part time marketing professional, Nancy De Losa in June 2005, to whom we extend our sincere welcome.

Finally, on behalf of Western Chances, we would like to thank you and to the many supporters who gave of their time and resources to ensure Western Chances was able to provide scholarships and support to talented young people in the Western suburbs.

We look forward to the next great year.

Anmarie Faulkner

CHAIR

Treasurer's Report

It is with great pleasure that I present the accounts for the 04/05 Financial Year for the Western Chances organisation.

In what has been effectively our first full year of operations, the focus of the sub committee for finance has been on ensuring the appropriate systems and controls are in place to provide the proper financial and governance management tools for the organisation. This will ensure we are capable of managing our ambitious and essential vision of delivering our services to scholarship recipients.

In addition to the establishment of the appropriate sub committees, including governance, audit and finance, we have this year established our own in-house stand alone accounting system. This has been achieved through the dedication of our hard working staff and the generous pro bono contribution from other parties such as our external accountant and auditors.

From a financial perspective, the accounts represent a significant achievement in a very short space of time and clearly demonstrate not only the high level of acceptance from our constituents of the program but also, and just as importantly, the sound financial platform we have established to move forward and build a truly sustainable organisation into the future.

Next year we will continue to work diligently with an ongoing focus on our financial controls, governance and optimising the financial outcomes for Western Chances.

Patrick J Flannigan

TREASURER

Independent qualified audit report to the members of Western Chances

Scope

The financial report and directors' responsibility

The financial report is a special purpose financial report and comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Western Chances (the company), for the year ended 30 June 2005.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia, to the extent described in Note 1 to the financial statements, in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the needs of the members. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the director's of the company a written Auditor's Independence Declaration a copy of which is included in the Director's Report.

Qualification

We were appointed auditors of Western Chances on 16 September 2004 and the financial report of the company was not audited prior to 30 June 2004. It has not been practicable for us to carry out normal audit procedures relating to the statement of financial performance and associated disclosures for the period ended 1 October 2003 to 30 June 2004, which are shown for the purposes of comparison.

Qualified Audit Opinion

Because of the existence of the limitation on the scope of our work as described in the qualification paragraph, and the effect on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion on the statement of financial performance and the associated disclosures for Western Chances for the period ended 30 June 2004, which are shown for the purpose of comparison.

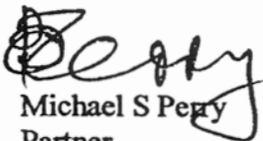
Audit opinion

In our opinion, the financial report of Western Chances is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Western Chances at 30 June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia to the extent described in Note 1 to the financial statements.

in so far as they relate to its financial position as at balance date and its cash flows for the financial year ended on that date.

Ernst & Young



Michael S Perry

Partner

Melbourne

Date:

Financial Statements at 30 June 2005

ABN 17 110 713 865
ACN 110 713 865

Western Chances Directors' Report

The Directors submit their report, together with the financial statements of the Company, for the period 24 August 2004 to 30 June 2005, in accordance with a resolution of the Directors. For the period 1 October 2003 to 23 August 2004 Western Chances was acting as an unincorporated entity. They were incorporated as Western Chances on 24th August 2004.

1. Directors

The names of the Directors in office at the date of this report are:

Terry Bracks FOUNDED CHAIR *Bed, GradDipAppSc*

Lynne Wannan DEPUTY CHAIR

Rozanna Zalewski *BA, LLB, GradCertEthics*

Patrick J Flannigan *BBus, FAIM, FAICD, Dip*

Anmarie Faulkner *Bed, DipEd, GradDipMmnt*

Rosie Salvaris *BA, DipEd, Grad Dip EdAdm, GradDip Civil Celeb*

Kelvyn Lavelle *MA, Grad Dip Urb Research*

Carol Schwartz *BA LLB MBA*

Rosalind Willett *BEd*

Deborah Beale *BComm, MBA*

2. Principal Activity

The principal activity of the Company during the financial year was, in conjunction with the Education Foundation Inc., providing scholarships to resource needy young people to ensure that a lack of resources does not prevent them from obtaining educational, cultural or social opportunities.

3. Surplus / Deficit

The net amount of the surplus of the Company for the financial period was \$124,586 (2004: \$196,466). The Company is exempt from income tax.

4. Review of Operations and Results

Operating income for the financial year was \$265,778 (2004: \$219,611) from donations, and bank interest.

Total expenditure of \$141,192 (2004: \$23,144) included scholarship payments of \$58,766 (2004: \$3,942)

5. Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs for the period ended 30 June 2005.

6. Significant Events after the Balance Date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect:

- (i) the operations of the company;
- (ii) the results of those operations; or
- (iii) the state of affairs of the company

in the financial year subsequent to the financial year.

7. Directors' Benefits

Since the end of the previous financial year no Director of the Company has received or become entitled to receive a benefit by reason of a contract entered into by the Company with the Director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

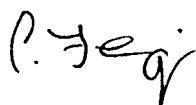
8. Auditor Independence and Non-audit Services

A copy of the auditors' independence declaration as required under section 370C of the Corporations Act 2001 is attached. There were no non-audit services provided by the auditor during the financial year.

On behalf of the Board



T Bracks
CHAIRMAN



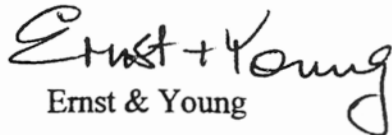
P J Flannigan
TREASURER




L Wannan
DEPUTY CHAIRMAN

Auditor's Independence Declaration to the Directors of Western Chances

In relation to our audit of the financial report of Western Chances for the financial year ended 30 June 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.


Ernst & Young



Michael S Perry

Partner

Date:

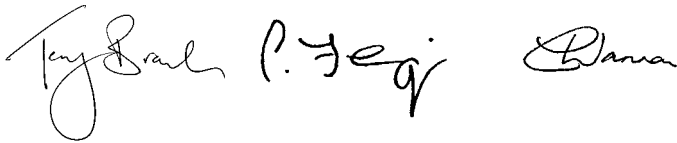
Western Chances Directors' Declaration

In accordance with a resolution of the Directors of Western Chances we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2005 and of the performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and 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.

On behalf of the Board



T Bracks
CHAIRMAN

P J Flannigan
TREASURER

L Wannan
DEPUTY CHAIRMAN

MELBOURNE
DATE:

Western Chances Statement of Financial Performance for the Year ended 30 June 2005

	Note	2005	2004
Operating revenue from ordinary activities	2A	265,778	219,611
Operating expenses from ordinary activities excluding borrowing costs	2B	141,192	23,144
Borrowing costs		–	–
Operating surplus before income tax	4	124,586	196,467
Income tax attributable to ordinary activities	1	–	–
Operating surplus after income tax		124,586	196,467
Total changes in equity		124,586	196,467

The Statement of Financial Performance should be read in conjunction with the accompanying Notes (pages ? to ?).

Western Chances

Statement of Financial Position at 30 June 2005

	Note	2005	2004
Current Assets			
Cash assets	5a	167,285	209,656
Receivables	6	172,200	–
Total Current Assets		339,485	209,656
Non-current Assets			
Property, Plant & Equipment	3	1,000	–
Total Non-current Assets		1,000	–
TOTAL ASSETS		340,485	209,656
Current Liabilities			
Employee provisions		2,493	1,357
Other Payables		16,195	11,806
Total Current Liabilities		18,688	13,163
Non-current Liabilities			
Employee provisions		744	27
Total Non-current Liabilities		744	27
TOTAL LIABILITIES		19,432	13,190
NET ASSETS		321,053	196,466
Fund Balances			
Retained Earnings	4	321,053	196,466
TOTAL FUND BALANCES		321,053	196,466

The Statement of Financial Position should be read in conjunction with the accompanying Notes (Pages ? to ?).

Western Chances

Statement of Cash Flows

for the Year ended 30 June 2005

	Note	2005	2004
Cash Flows from (Used In) Operating Activities			
Receipts from donors		10,000	164,383
Interest received		5,226	3,228
Receipts from scholarships		78,352	52,000
Payments to suppliers and employees		(19,744)	(6,013)
Scholarship payments		(58,766)	(3,942)
Management Fees		(56,439)	-
		(41,371)	209,656
Net Cash Flows from (Used In) Operating Activities			
	5(b)	(41,371)	209,656
Cash Flow from (Used In) Investing Activities			
Payment for Plant, Property and Equipment		(1,000)	-
		(1,000)	-
Net Cash Flows from (Used In) Investing Activities			
Cash Flow from (Used In) Financing Activities			
Borrowings to / from related parties		-	-
Issue of capital		-	-
		-	-
Net Cash Flows from (Used In) Financing Activities			
		-	-
Net Increase/(Decrease) in Cash Held		(42,371)	209,656
Add Opening Cash Brought Forward		209,656	-
Closing Cash Carried Forward	5(a)	167,285	209,656

The Statement of Cash flow should be read in conjunction with the accompanying Notes (pages ? to ?).

Western Chances

Notes to and forming part of the Financial Statements at 30 June 2005

1. Summary of Significant Accounting Policies

The Directors are of the view that the company is not a reporting entity. These financial statements have been prepared as a special purpose financial report solely to meet the Corporations Act (2001) requirements to prepare financial statements. In the opinion of the directors, the accounting standards applied in the preparation of these financial statements are appropriate to meet the needs of the members, and comply with all accounting standards applicable to general purpose financial statements, except for AASB 1005 "Segment Reporting", AASB 1017 "Related Party Disclosures" and AASB1033 "Presentation and Disclosure of Financial Instruments" and AASB 1047 "Disclosing the impacts of Adopting Australian Equivalents to International Financial Reporting Standards".

Western Chances is a company limited by guarantee. It was incorporated on 24 August 2004.

For the period 1 October 2003 to 23 August 2004 Western Chances was acting as an unincorporated entity. The statements for 2004 were for the period 1 October 2003 to 30 June 2004 and were not made subject to audit.

The financial reports have been prepared in accordance with the historical cost convention.

The accounting policies adopted are consistent with those of the previous year unless otherwise specified.

Changes in Accounting Policy

There have been no changes in accounting policies for the year ended 30 June 2005.

Cash and Cash Equivalents

Cash on hand and in banks is stated at the lower of cost and net realisable value. For the purpose of the Statement of Cash Flows, cash includes cash on hand.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Property, Plant and Equipment

Property, Plant & Equipment are carried at cost.

Major depreciation rates are:	2005	2004
Computer, printer and fax	33%	N/A

Income Tax

Western Chances is an approved not for profit organisation under the Income Tax Assessment Act and therefore is exempt from income tax.

2. Operating Deficit and Inflow of Funds from Ordinary Activities

Included in the operating surplus are the following items:

	2005	2004
	\$	\$
A. Revenues From Operating Activities		
Donations	260,552	216,383
Total revenues from operating activities	<u>260,552</u>	<u>216,383</u>
Revenues from non-operating activities		
Interest received	5,226	3,228
Total revenues from non-operating activities	<u>5,226</u>	<u>3,228</u>
Total revenues from ordinary activities	<u>265,778</u>	<u>219,611</u>

B. Expenses

Scholarship payments	58,766	3,942
Other operating expenses	82,426	19,202
Total expenses from ordinary activities	<u>141,192</u>	<u>23,144</u>

3. Property, Plant & Equipment

Office equipment – at cost	1,000	–
Accumulated depreciation*	–	–
	<u>1,000</u>	<u>–</u>

* The office equipment was acquired on 29 June 2005, hence no depreciation was charged during the 2005 financial year.

4. Retained Surplus

Balance at beginning of the year	196,467	–
Operating surplus	<u>124,586</u>	<u>196,467</u>
Balance at end of year	<u>321,053</u>	<u>196,467</u>

5. Statement of Cash Flow

A. Reconciliation Of Cash

Cash comprising: – cash on hand

2005	2004
\$	\$
167,285	209,656
<u>167,285</u>	<u>209,656</u>

B. Reconciliation of Surplus to Net Cash Flow Activities

(Deficit)/Surplus

Changes in assets & liabilities

– (increase)/decrease in receivables

– increase/(decrease) in Provision for Employee Benefits

– increase/(decrease) in payables

Net Cash Provided by Operating Activities

124,586	196,466
(172,200)	–
1,854	1,384
4,389	11,806
<u>(41,371)</u>	<u>209,656</u>

6. Receivable

Receivable

Balance at end of year*

172,200	–
<u>172,200</u>	<u>–</u>

* Receivable is represented by an amount owing from Education Foundation where donations to Western Chances have been made.

7. Directors' Remuneration

No remuneration was paid to directors during the year.

Western Chances is in the process of establishing directors and officer's liability insurance.

8. Employees

All staff are employees of Western Health. Western Health charge a fee to Western Chances to cover employee expenses and entitlements.

The number of full time equivalents employed as at 30 June 2005 is 2. (2004: 1)



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