



Annual Report 2005-2006

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Our Vision

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

Western Chances 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 education 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 a community, by 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 three years, 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 500 scholarships (our core business) to date which is an exceptional growth during the 2005-06 financial year. As you will see highlighted in this document, the operating income from donations and sponsorships grew 112% to just under \$566,000.

Western Chances 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 recognizing 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.

I'd also like to recognise the work and commitment of the Western Chances Board and Staff for giving their time, dedication and professional expertise

We look forward to continuing to grow our partnerships and building successful journeys for our young people in 2007 and beyond.

Terry Bracks
Chair

Our Patron

His Honour Justice Frank Vincent AO



The perspectives from which many young people in our community view the future are regrettably so limited by the circumstances of disadvantage, in which they have always lived, that they envision nothing else. Often they have little or no awareness of their own abilities or the ways in which they can be utilised. Others with similar backgrounds who possess some insight into their own potential may be inclined to dismiss their tentatively held aspirations as unattainable. Western Chances has been established to provide such young people who reside in the western region of Melbourne with practical and timely assistance, encouragement and support to enable them to recognise and embrace the prospect of a wider future. We live in an affluent country that prides itself on its democratic nature and egalitarian values. It follows that if there is to be some reality underlying that rhetoric we should endeavour to ensure that real opportunities for educational and vocational development exist for all who live here regardless of economic circumstances or social and cultural background. Through its work this year Western Chances has continued its commitment to this objective. The successes which can be seen in this report would not have been possible without the considerable generosity of the many sponsors of Western Chances and the dedication and the hard work of all those involved.

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 AM

BA. Dip.Ed

Deputy Chair

Lynne Wannan is Convener of the National Association of Community Based Children's Services; Chair, Victorian Children's Council, Chair of the Adult Community and Further Education Board and a Member of the Victorian Qualifications Authority, the Victorian Learning and Skills Commission, the Victorian Government's Community Support Fund, the Child Care Reference Group of the Commonwealth Department of Family and Children's Services and of the Post-Compulsory Education Reference Group of the City of Hobson's Bay. Lynne is also a past Member of the Victorian Premier's Children's Advisory Committee, immediate past Chair Community Child Care Victoria and 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.

Deborah Beale

BComm MBA

Board Member

Deborah Beale is a consultant to Ernst & Young in the areas of Governance and Public Affairs.

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 also a Board Member of Hyperion Holdings Limited, the Emergency Services Superannuation Scheme and a Trustee of the Victorian Arts Centre.

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

Annmarie Faulkner

BEd DipEd GradDipMmnt

Board Member

Annmarie 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.

Annmarie 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.

Annmarie 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.

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.

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. Rosie is a recently retired 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.

Carol Schwartz AM

BA LLB MBA

Board Member

Carol Schwartz is Chairman of Industry Superannuation Property Trust (ISPT); Chairman of Our Community; President of Melbourne International Arts Festival; Director of Highpoint Property Group, responsible for Highpoint Shopping Centre (one of Australia's largest regional shopping centres) as well as a director on a number of other leading boards, both in the non-profit and corporate sectors.

Carol was awarded a Member of the Order of Australia in the Australia Day Honors list in 2006 for her achievements in business and commerce and her contribution to community and the arts; Carol also received the Centenary Medal in 2001 in recognition of her outstanding service as a leading business executive and board participant.

Carol is a Board Member of Western Chances and a member of the Fundraising and Development 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.

Rozanna (Roz) Zalewski

BA LLB Grad Cert Ethics

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.

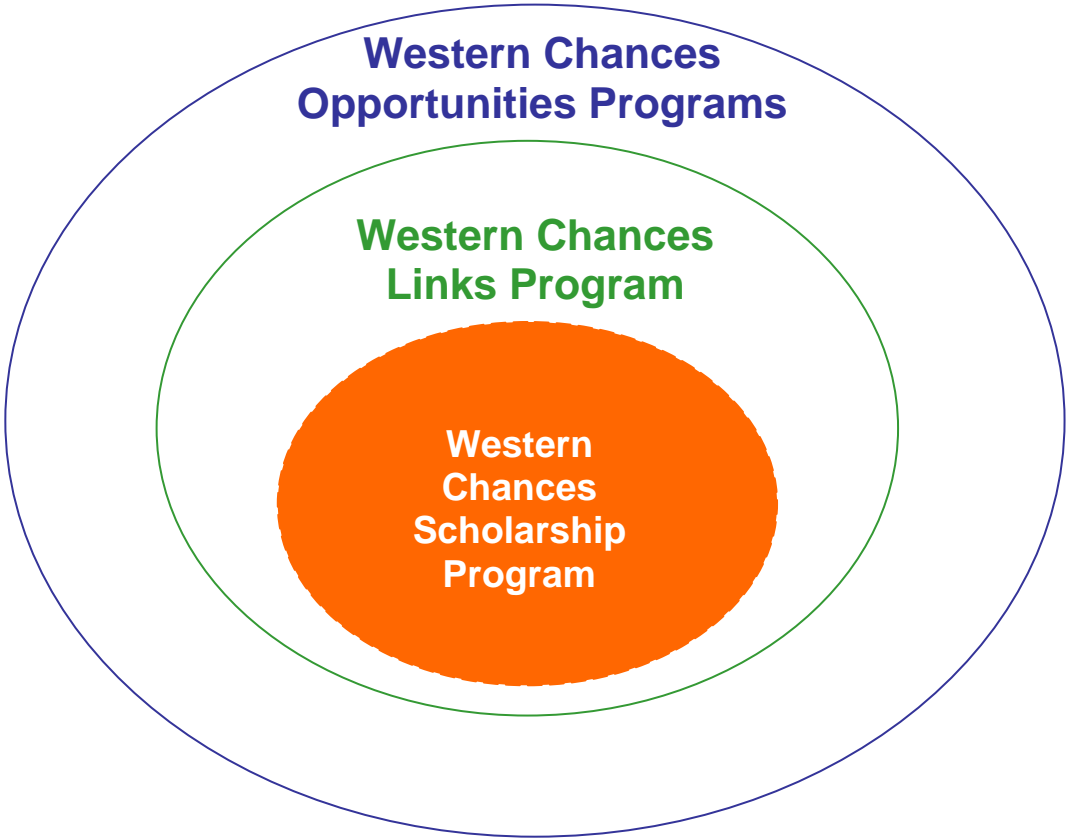
Roz is a Board Member of Western Chances and a member of the Programs Subcommittee.

Board and Governance Structure



Attendance at Board Meetings		2005-6										
		Aug	Oct	Dec	Feb	Apr	June					
Board Member								Total				
Deborah	Beale	1	1	1	1	1	1	6				
Terry	Bracks	1	1	1	1	1	1	6				
Annmarie	Faulkner	1		1	1	1		4				
Patrick	Flannigan	1	1	1		1	1	5				
Kelvyn	Lavelle		1	1	1	1	1	5				
Rosie	Salvaris	1	1	1		1		4				
Carol	Schwartz		1	1	1	1		4				
Ros	Willett*	1	1	1	1		1	5				
Lynne	Wannan	1		1	1	1	1	6				
Roz	Zalewski	1	1	1	1		1	5				

Western Chances Programs



I am pleased to report that the Western Chances Programs Committee has met the Terms of Reference for the Subcommittee in 2005/6.

The committee has overseen the development and operation of programs undertaken for 2005/6 including the development of program guidelines, procedures, assessing risks and monitoring and evaluating outcomes.

Our data program DIGITS has aided immeasurably in supporting the organisation and analysis of scholarships and programs.

The Western Chances Programs Subcommittee works closely with other Western Chances committees and reports to the Board at each Board meeting.

The Programs committee is responsible for programs related to:

- engagement with schools and other referral organisations;
- the scholarship making process;
- scholarship recipient support;
- student pathways; Links Programs
- data collection;
- research and evaluation of Western Chances.
- Links Programs
- Opportunity programs

Western Chances scholarships provide support with purchasing computers, internet connection, memory sticks and scanners, text books, and travel cards for a wide range of interests including music, dance, arts, and general academic excellence.

Western Chances Scholarship Recipient writes

"Now that I am Yr.12 with a lot of homework every night, I don't know what I would have done without my text books. Once again Western Chances renewed my scholarship and I was able to buy my text books for University.

Words cannot describe how thankful I am for what these wonderful people at Western Chances have given me. I guess these people love me. Or is it my luck. I don't know, but whatever it is, it is great. They once again have put something in for my future studies. That is, they have given me the means to buy books for University next year. Wow! Are these people good or what?

On behalf of myself and all the other students who received scholarships, I would like to thank Western Chances for their support. I hope that you will continue to open more doors to students in need."

Scholarship Program

Western Chances Scholarships

Western Chances Scholarship Program is our core program providing scholarships through a bi-annual (April/May and September/October) grant process. Scholarships are awarded at the discretion of the Western Chances Board to applicants who best meet the criteria and demonstrate their passion to develop their talents. Scholarships are merit based and average about \$1,000 per successful scholarship applicant.

Term 1 and Term 3 are the two opportunities throughout the year for scholarship renewals. Renewals are not automatic and relevant forms must be completed by the nominator and scholarship recipients by set dates.



Western Chances-Victoria University (VU) 'Access' Scholarships

These scholarships will enable students to develop their skills and soar to new horizons in both Higher Education and TAFE. VU are offering upto 35 opportunities for students who have been nominated by Western Chances. Students will be guaranteed a VU scholarship of at least \$1,000 per year and, on application, may be eligible to receive other scholarships from Western Chances and VU.

Opportunities Programs

Cricket – Crusaders

Western Chances, the Crusaders–Merv Hughes Foundation and the Footscray Edgewater Cricket Club deliver a unique program of coaching and development for young cricketers in September-October each year. The program involves up to 200 participants in a training program overseen by Merv Hughes and other current and former first class cricketers, in conjunction with the Crusaders network and Footscray Edgewater Cricket Club. At the conclusion of the training program, two 20/20 matches are played, and a further group will go through and participate in the Crusaders Secondary Schools Cup. Footscray Edgewater Cricket Club hosts the training program.

Media – Australian Centre for the Moving Image (ACMI)

Western Chances and ACMI deliver 2 programs per year for young people to learn the skills of digital storytelling – including visual storytelling, scriptwriting and digital media. The programs involve students and teachers participating for one full week of the school holidays in July and September at ACMI's state-of-the-art studio at Federation Square, Melbourne.



Music – Orchestra Victoria (OV)

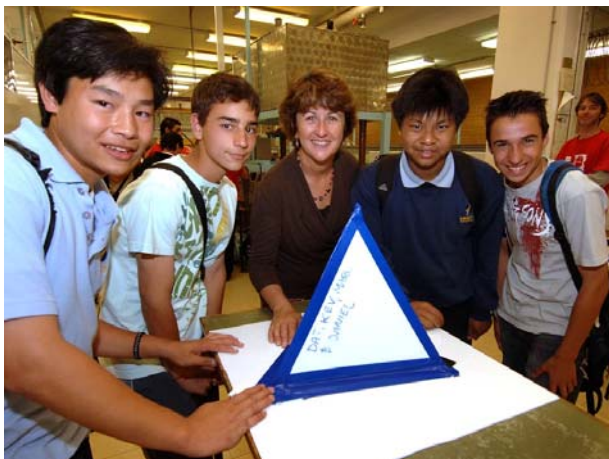
Western Chances and OV deliver 1 mOVe workshop per year, enabling 40 young people to rehearse and perform for 2 full days alongside 12 of OV's professional musicians, who all have a passion for educating young people. The workshop includes full orchestra rehearsals conducted by a leading education specialist and sectional rehearsals led by OV musicians.



Thanks to Orchestra Victoria for the use of this photograph of Jo Beaumont and Hristijan Spirovski during a concert rehearsal for the concert presented with WC and OV at Hobson's bay City Council.

Science/Engineering – The Siemens Science Experience (TSSE)

Western Chances, in partnership with Siemens, TSSE and VU provide 100 Year 9 students in the Western suburbs the opportunity to participate in TSSE program – an innovative 3 day program held in December each year where students gain valuable hands on experience and insights into the fields of Science and Engineering.



Free Debate

Free Debate (FD) is a not-for-profit organisation that operates with the aim of helping people from traditionally disadvantaged backgrounds gain skills in communication and persuasion. Specifically, FD targets groups that face economic or social disadvantage, such as; schools and students from low socio-economic backgrounds, migrants, refugees, prisoners, etc.

FD can provide training and resources to help people develop confidence in public speaking as well as assisting with the development of critical thinking skills that allow for articulate and reasoned debate.



Variety /Bash Club/Bike Program

In December 2005, The Variety Club Children's Charity offered Western Chances 20 bikes and helmets to distribute to Scholarship Recipients who would benefit greatly from a new set of wheels

The Variety BASH program has given young people from Western Chances and Open Family (who wish to be involved in the automotive industry) the chance to build a bash car. An exciting opportunity for the young people below.



Lord Mayor's Charitable Fund, Readers Feast

Through Western Chances the Lord Mayor's Charitable Fund and Readers Feast distributed the latest Harry Potter books to young readers across the west



LINKS Program

We aim to add value to our scholarship recipients through our Links Program, targeted at scholarship recipients who are in secondary school and require assistance in obtaining experience in the workforce. The work experience is paid vacation employment combining mentoring/leadership relevant to their talents and goals and assists in the transition from secondary school to tertiary/further education. Through this program, Western Chances creates connections between young people and employer organisations in our network – facilitating 'right fit' employer-employee partnerships.

Young Western Leaders Program

The Western Chances Young Leaders Program delivers opportunities to scholarship recipients to enhance their skills in specific skill areas and to assist in the development of their leadership qualities. Skills development areas include: Debating, Presentation Skills, and Interview Skills. Program examples include Free Debate and the Young Western Leaders 2 day Summit.



Western Chances Marketing and Development Report

The year to June 2006 was a year of significant growth for Western Chances; Growth as a brand recognised for delivering opportunity and support to young people across the West; Growth as a facilitator of community investment for businesses and philanthropic foundations focused on developing our young leaders of tomorrow; Growth in the number of active participants involved in our many initiatives – young people, schools, families, program partners and investors.

The Board and staff of Western Chances focused on growing the brand at its very 'core' throughout 05/06 – with our 211 talented scholarship recipients. Recognising that the success of our work is reflected in the successes of our scholarship recipients, we worked to profile their achievements and build the links between them and our investor organisations. This strategy of creating connections and building networks is key to delivering on our overall objective of helping young people to realise their dreams – and is the basis of our dedicated marketing and development effort.

Western Chances is thankful for the ongoing support of our many valued investors, both financial and in kind, who share our vision (see page to follow for a listing of investors).

Special thanks to David Warwick and his teams at Smartworks and Komodo, Brett Miller, Jaki Colgan and the team at CPR Communications and Public Relations, Ros Willett and the team at JWA Marketing, Roy Barker and the team at PrintRun, Paul Gardner and the team at Grey Worldwide, Bob Grieve and Jane Collinson for their support of the organisation and its successes.

We look forward to continuing to share our mutual successes.

Annmarie Faulkner / Nancy De Losa
Chair M&D Committee / Marketing & Development Manager

Western Chances Valued Investors

ABN Amro
Annamilla Pty Ltd
Antonio Tassone
Australian Centre for the
Moving Image
Australian Vinyls
Barker & Barker Media
Benson Property Group
Besen Family Foundation
Bill Shannon
Brighton Soroptimists
Brimbank City Council
Broadmeadows Magistrates Court
Carolyn Menzies
Cas Bukor
Century City Enterprises
Chances for Children, Mildura
Chris Canavan
City of Moonee Valley
City West Water
CPR Communications &
Public Relations P/L
Dr & Mrs H Debinski
DreamPool Productions
Education Foundation Inc.
Fitzgerald Optometry
Footscray Community Arts
Centre
Free Debate
Grey Worldwide
Grid.com.au
Grossman Family Foundation
Harbour Creek Pty Ltd
Helen Argyrou
Helen Maxwell-Wright
Highpoint Shopping Centre
Hobsons Bay City Council
Hy Lite Drapes
InfoXchange
Jreissati Foundation
JWA events
Judy Avisar-SAIL
Karl & Sarah Fender
Komodo CMS
Leader Community News
Lions Club of Altonapapers
Lord Mayor's Charitable Fund
Maribyrnong City Council
Melbourne Community
Foundation
Merran Charles
Michael Burstin
Mrs Edith Fisher
Mrs Margaret Jennings
Nufarm
Orchestra Victoria
Our Community
Peter Best
PrintRun
Property Essentials
Qenos
Rick Finighan
Rachael Bingham
Service Stream
Shaun Sellwood
Siemens
Spotless
Shire of Melton
Siemens
Smart Works
Smorgon Steel
Sony Foundation Australia
Soroptimist of Brighton
Stephen Conroy
St. Andrew's Uniting Church
Geelong
Sunshine Magistrates Court
Susan & Carl Stevens
Tattersall's George Adams Foundation
Tennis Australia
The Crusaders/ Merv Hughes
Foundation
The Grid
The Magistrates Court of Victoria
The Song Room
Transurban
Truck Industry Council
Trust for Young Australians
Tudor Cove Pty Ltd
United Way
Valda Walsh
Variety the Children's Charity
Vicki Yianoulatos
Victoria University
Village Roadshow Limited
Waterfield Consulting
Wendy & Ros Brooks
Western Bulldogs
Western Health
Western Metropolitan Region
Western Water
Westpac
Westpac
Zonta Club of Melton
Women in Super
Wyndham City Council
Zouki Enterprise Pty Ltd
z-treme

Treasurer's Report for Western Chances

It is once again with considerable pleasure that I present Western Chances' accounts for the 05/06 Financial Year.

The focus of the Sub Committee for Finance over the last 12 months has been to ensure that the appropriate systems and controls are in place to provide the proper financial and governance management tools for the organisation. I am confident that this has been achieved with all systems and controls being reviewed annually by our independent auditors, adopted by the Board as appropriate and implemented.

Our scholarship recipients and partners can be assured that we have the foundations in place to provide the right level of governance and transparency necessary for a growing organisation such as Western Chances.

Growth this year has been significant across the organisation. We have seen:

- A. Net assets growing in excess of 80%
- B. Donations growing by more than 40%
- C. And most importantly, the Scholarships granted growing almost threefold for the 05/06 year compared to the 04/05 year

A key directive of the Investment Committee this year has been to ensure we make the most prudent investment decisions for funds raised to date. Through the establishment of an investment corpus and in conjunction with our existing partners, we have the ideal partnership to underpin the sustainability of the organisation moving forward.

I would like to take this opportunity to thank my fellow members of the Finance Committee for their invaluable input along with the staff of Western Chances and the generous contribution from our pro bono partners such as our external auditors

The dedication of all those involved in the organisation will continue to ensure the sound financial platform and systems we have established in our formative years will provide the environment to continue to grow our organisation into the future.

Next year we will continue to work diligently building on our sound footing ensuring Western Chances' financial sustainability in the years ahead.

Patrick J. Flannigan
Honorary Treasurer

**WESTERN CHANCES
FINANCIAL STATEMENTS**

AT 30 JUNE 2006

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 year ended 30 June 2006, in accordance with a resolution of the Directors. Western Chances was incorporated on 27 August 2004.

1. DIRECTORS

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

Terry Bracks: BEd GradDip AppSc, (Founding Chair)

Lynne Wannan: AM, BA. Dip,Ed (Deputy Chair)

Deborah Beale: BComm MBA

Annmarie Faulkner: BEd DipEd GradDipMmnt

Patrick J Flannigan: BBus FAIM FAICD Dip

KeIvyn Lavelle: MA GradDipUrbResearch

Rosie Salvaris: BA DipEd GradDipEdAdro GradDip Civil Celeb

Carol Schwartz: AM BA LLB MBA

Rosalind Willett: BEd

Rozanna Zalewski: BA LLB GradCertEthics

2. PRINCIPAL ACTIVITY

The principal activity of the Company during the financial year was, in conjunction with the Education Foundation Inc., providing scholarships to disadvantaged 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 \$279,880 (2005: \$124,586). The Company is exempt from income tax.

**WESTERN CHANCES
DIRECTORS'REPORT (continued)**

4. REVIEW OF OPERATIONS AND RESULTS

Operating income for the financial year was \$565,696 (2005: \$265,778) from donations, sponsorships, and bank interest.

Total expenditure of \$285,817 (2005: \$141,192) included scholarship payments of \$151,061 (2005: \$58,766)

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Western Chances was endorsed with Deductible Gift Recipient status on 24 February 06. As a result of this endorsement, Education Foundation Inc are no longer required to distribute donations. There have been no other significant changes in the state of affairs for the period ended 30 June 2006.

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 period subsequent to year-end up until signing of this report.

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 auditor's independence declaration as required under section 370C of the Corporations Act 2001 is attached,

On behalf of the Board



T Bracks
Chairman



P. J. Flannigan
Treasurer



L. Wannan
Deputy Chairman

Melbourne
Date:

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 2006, 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 Perry
Partner
Melbourne

Date: 19 October 2006

**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 2006 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
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005
Revenue from continuing operations	3(a)	565,696	265,778
Expenses from continuing operations excluding finance costs		3(b)	285,817,141,192
Finance costs		-	-
Surplus before income tax		279,879	124,586
Income tax expense	2(f)	-	-
Surplus after tax from continuing operations		279,879	124,586
Net Surplus for the year		279,879	124,586

The Income Statement should be read in conjunction with the accompanying Notes

**WESTERN CHANCES
BALANCESHEET
AS AT 30 JUNE 2006**

	Note	2006	2005
ASSETS			
Current Assets			
Cash	5a	617,558	167,285
Receivables	6	-	172,200
Total Current Assets		617,558	339,485
Non-current Assets			
Plant & Equipment	4	609	1,000
Total Non-current Assets		609	1,000
TOTAL ASSETS		618,167	340,485
LIABILITIES			
Current Liabilities			
Employee Provisions		4,318	2,493
Other Payables		12,490	16,195
Total Current Liabilities		16,808	18,688
Non-current Liabilities			
Employee Provisions		427	744
Total Non-current Liabilities		427	744
TOTAL LIABILITIES		17,235	19,432
NET ASSETS		600,932	321,053
EQUITY			
Retained Earnings		600,932	321,053
TOTAL EQUITY		600,932	321,053

The Balance Sheet should be read in conjunction with the accompanying Notes

**WESTERN CHANCES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006**

	Retained Earnings
Balance at 1 July 2004	196,467
Net Surplus for the year	124,586
Balance at 30 June 2005	321,053
Balance at 1 July 2005	321,053
Net Surplus for the year	279,879
Balance at 30 June 2006	600,932

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes

**WESTERN CHANCES
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005
Cash flows from operating activities			
Receipts from donors		547,999	10,000
Interest received		2,281	5,226
Receipts from sponsorships		187,617	78,352
Payments to suppliers and employees		(19,842)	(19,744)
Scholarship payments		(151,061)	(58,766)
Administration Fees		(116,721)	(56,439)
Net cash flows from operating activities	5(b)	450,273	(41,371)
Cash flows from investing activities			
Purchase of property and equipment		-	(1,000)
Net cash flows used in investing activities		-	(1,000)
Cash flows from financing activities			
Borrowings to 1 from related parties		-	
Issue of capital		-	
Cash flows from / (used in) financing activities		-	
Net increase in cash		450,273	(42,371)
Cash at beginning of year		167,285	209,656
Cash at end of year	5(a)	617,558	167,285

The Cash Flow Statement should be read in conjunction with the accompanying Notes

**WESTERN CHANCES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

1. CORPORATE INFORMATION

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 114 "Segment Reporting", AASB 124 "Related Party Disclosures", AASB 132 "Financial Instruments: Presentation".

Western Chances is a company limited by guarantee. The liability of members is limited. It was incorporated on 27 August 2004.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the Corporations Act 2001. The accounting policies used in the preparation of this financial report, as described below, are consistent with the previous years, and are, in the opinion of the directors', appropriate to meet the needs of members:

- (i) The financial report has been prepared on a historical cost basis
- (ii) The financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.
- (iii) The disclosure requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Western Chances because it is not a 'reporting entity'. However, the directors have prepared the financial report in accordance with Accounting Standards and other financial reporting requirements in Australia with the following disclosure exceptions:
 - AASB 114 "Segment Reporting",
 - AASB 124 "Related Party Disclosures",
 - AASB 132 "Financial Instruments: Presentation".

**WESTERN CHANCES
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2006**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS), Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) 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 Cash Flow Statement, cash includes cash on hand.

(d) 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.

(e) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Major depreciation rates are:	2006	2005
Computer, printer and fax	33%	33%

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date.

(f) Income tax

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

Western Chances was endorsed with Deductible Gift Recipient status on 24 February 06. This means that monies received are tax deductible to donors.

WESTERN CHANCES
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
3. REVENUE AND EXPENSES		
<i>Revenue and Expenses from Continuing Operations</i>		
(a) Revenue		
Donations	375,798	182,200
Sponsorship	187,617	78,352
Finance revenue	2,281	5,226
	565,696	265,778
(b) Expenses		
Scholarship payments	151,061	58,766
Administration	116,721	67,072
Other operating expenses	18,033	15,354
	285,817	141,192
4. PLANT & EQUIPMENT		
Office equipment - at cost	1,000	1,000
Accumulated depreciation	391	-
	609	1,000

WESTERN CHANCES
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
5. CASH		
(a) Cash comprises:		
- cash on hand	617,558	167,285
	617,558	167,285
(h) Reconciliation of net surplus after tax to net cash flow from operations:		
Net Surplus	279,879	124,586
<i>Adjustments for:</i>		
Depreciation	391	-
<i>Changes in assets & liabilities</i>		
- (Increase)/decrease in receivables	172,200	(172,200)
- (Decrease)/increase in Provision for Employee Benefits	1,508	1,854
- (Decrease)/increase in payables	(3,705)	4,389
Net cash from operating activities	450,273	(41,371)

6. RECEIVABLES

Receivable	0	172,200
Balance at end of year	0	172,200

Receivable in prior year related to an amount owing to Education Foundation where donations to Western Chances were made. During the current year, Western Chances received endorsement of Deductible Gift Recipient status, therefore Education Foundation receivable has been settled at 30 June 2006.

7. DIRECTORS' REMUNERATION

No remuneration was paid to directors during the year.

In the prior year Western Chances were investigating director's and officer's liability insurance. Their insurance was finalised during the year and took effect in December 2005.

8. EMPLOYEES

All employee expenses and entitlements are paid through Western Health. Western Chances then reimburse Western Health.

The number of full time equivalents employed as at 30 June 2006 is 1.5 (2005: 2).

Independent audit report to members of Western Chances

Scope

The financial report and directors' responsibility

The financial report is a special purpose financial report and comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Western Chances (the company), for the year ended 30 June 2006.

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 and International Standards on Auditing, 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 to the extent described in Note 1 to the financial statements, 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 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.

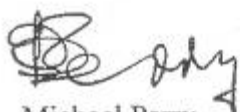
Independence

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 directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
 - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 to the financial statements 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.



Michael Perry
Partner
Melbourne

Date: 19 October 2006