Spinal Cord Injuries Australia

ABN: 93 001 263 734

Financial Statements

For the Year Ended 30 June 2019

Spinal Cord Injuries Australia

ABN: 93 001 263 734

Contents

For the Year Ended 30 June 2019

Directors' Report

For the Year Ended 30 June 2019

Your directors present this report on Spinal Cord Injuries Australia for the financial year ended 30 June 2019.

1. General information

Directors

The names of the directors in office at any time during, or since the end of the year are:

Name	Title	Appointed since
Michael Gerard Rabbitt *	Chairman	2017
Christine Tink *	President	2016
Brett Stevenson *	Director	2016
Chris Nicholls *	Director	2017
Stewart Calderwood	Director	2012
Robert Vander Kraats*	Director	Appointed 22/11/2018
Paul Crake*	Director	Appointed 22/11/2018
George Panos	Director	Appointed 24/01/2019
Leesa Addison	Director	Appointed 24/01/2019
Mark McCauley *	Chairman	Resigned 22/11/2018
Brad O' Hara	Director	Resigned 22/11/2018

* Denotes a person with disability

Principal activities

The principal activity of Spinal Cord Injuries Australia during the financial year was the provision of a range of services designed to maximise personal independence for all members and clients.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are:

- To further develop member engagement capability
- To develop and maintain a portfolio of sustainable services to meet member needs
- To continue position as a key influencer
- To build future workforce
- To build fundraising capabilities
- To enhance the organisation's profile

Directors' Report

For the Year Ended 30 June 2019

1. General information (cont'd)

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- To further develop member engagement capability
  - a) Grow database to reach more people
  - b) Improve data collection to achieve member satisfaction and remain relevant
  - c) Undertake competitor analysis
  - d) Further develop the concept of a one stop shop by:
    - i. Refining the member value proposition
    - ii. Reporting and acting on customer insights, including SIM
- To develop and maintain a portfolio of sustainable services to meet member needs
  - a) Rationalise current service offerings
  - b) Deliver all services to exceptional standards
  - c) Ensure services are financially sustainable (efficiency, client numbers, costs)
  - d) Leverage / expand national presence creatively / sustainably
  - e) Develop innovative service offerings
- To continue position as a key influencer
  - a) Build on policy influence & advocacy capability
  - b) Reshape community (including health) expectations re: people with spinal cord injuries
  - c) Continue to pursue national influence via ASIA
- To build future workforce
  - a) Map workforce skills and mix to future needs
  - b) Have delighted staff, with improved working conditions
- To build fundraising capabilities
  - a) Leverage CSR / social procurement opportunities
  - b) Leverage new and emerging funding sources (crowdfunding etc)
- To enhance the organisation's profile
  - a) Present unified SCIA front
  - b) Pursue appropriate partnerships / collaborations
  - c) Continue to pursue research collaboration via Project Edge

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Directors' Report

For the Year Ended 30 June 2019

1. General information (cont'd)

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives through the alignment of each department's and individual's performance plans to the strategic plan, with individual and departmental key performance indicators.

Performance measures

The following measures are used within the Company to monitor performance:

- Key performance measures at the departmental level, appropriate to the needs of each department
- Key performance measures at the individual level, flowing from the departmental measures
- Social Return on Investment, to measure the social value being created through each program area

Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Attended
Mark McCauley (Chair)	4	4
Christine Tink (President)	11	9
Brad O' Hara	4	2
Brett Stevenson	11	9
Chris Nicholls	11	7
Michael Gerard Rabbitt	11	9
Stewart Calderwood	11	11
Robert Vander Kraats	7	7
Paul Crake	7	6
George Panos	6	6
Leesa Addison	6	6

Members guarantee

The Company is registered under the Australian Charities and Not-for-profit Commission Act 2012 and is an entity limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 2,302 (2018: 1,888).

At 30 June 2019 the collective liability of members was $46,040 (2018: $37,760).

Directors' Report

For the Year Ended 30 June 2019

Director Information

Directors

Michael Gerard Rabbitt *

Experience: Michael joined the Board in 2017 and was appointed Chairman in November 2018. Michael has an extensive corporate career in the insurance industry at IAG and NRMA, which gives him a strong understanding of the needs of member-based organisations. His wealth of experience includes managing profitable portfolios, leading teams of people and developing and implementing strategy. Michael became a paraplegic as a result of a compensable work accident in 1992.

Christine Tink *

Experience: Christine is the owner of an Australia-wide interiors and homewares business, selling to retail customers online; and directly to commercial customers. With a lifelong career in the fashion trade, and currently employing over twenty staff, Christine is fully engaged with the needs of modern business. A motor vehicle accident in 2008 left her with a C4/C5 spinal cord injury.

Brett Stevenson *

Experience: Brett has owned and run an independent business offering grain marketing and price risk management services to Australian farmers for over twenty years. Long-term committed client partnerships are the core of the business. Prior to that he spent time with Dalgety in commodity futures, and financial markets with ANZ, Midland and Swiss Bank Australia. Brett's spinal cord injury, resulted in C5/C6 incomplete quadriplegia.

Chris Nicholls *

Experience: Chris owns and manages an accessibility consultancy, occupational therapy service, and a start-up rehabilitation platform that utilises sensor technology. He has also held numerous management roles and worked at SCIA for ten years, has a background in IT, and is a current Board Member at Wheelchair Sports NSW. Chris is a T6 paraplegic after a motorcycle accident.

Stewart Calderwood

Experience: Stewart's corporate background is in the finance sector and he has more than 25 years' experience in London and Australia, currently with Ord Minnett. Stewart brings to SCIA client relationship management experience across a wide range of institutional and corporate clients. Stewart became involved with the Back Up Trust, a UK charity, after a diving accident left him temporarily paralysed.

Robert Vander Kraats *

Experience: Robert is a fully qualified physiotherapist, having previously owned and directed three physio practices. He has also served as a committee member of Sports Physiotherapy Australia and as a Board Member of HeadWest. In 2015, Robert suffered a stroke and as a NeuroMoves client, he is very keen to use his skills and experience to assist with the continued development of the NeuroMoves strategy.

Director Information (cont'd)

Directors (cont'd)

Paul Crake *

Experience	Paul is the Director of Total Ability Pty Ltd, which supports people in the disability community with all aspects of driving and vehicular access. Through his previous role at KPMG he has in-depth knowledge of industry funding arrangements, working with the NDIS both from a participant and provider viewpoint, and developing viable business models in the Australian disability space. Paul became a T4 paraplegic after being blown from his racing bike into a fence post during a cycling race in New Zealand in 2006.

George Panos

Experience	George is currently the CEO of a global design and environment practice, and a former CFO of an Architectural and Design practice. He has extensive business, commercial and operational experience across several industries. George previously worked for companies such as PwC, CSR, GUD group and Boral. He is a qualified accountant, lawyer and has completed an MBA.

Leesa Addison

Experience	Leesa is a digital product and business transformation consultant, former Chief Information Officer and senior executive with 25 years’ experience working in technology and innovation. She has worked as a CIO for both membership and disability organisations, with broad experience working across all types of business structures and sizes. She assists organisations to identify and develop new products and solutions and builds technology environments focussed on transforming business models, operating environments and managing enterprise risk.

Mark McCauley *

Experience	Former Solicitor with 41 years experience & Senior Lecturer, Practical Legal Training & Former Head of the Full Time Sydney Campus Course at The College of Law. Mark was admitted to Practice Law in June 1977 and appointed a Partner of mid-sized law practice, McGuren Allen & Holt in 1978. In 1988 Mark became a consultant to the international law practice Baker McKenzie and served as Head of the Corporate Division for five years. He was appointed lecturer at the College of Law in 1993 while still practising as a Commercial Consultant to various corporations. In June 2015 Mark was a member of the Selection Panel briefed to select the Principal Legal Officer of the National Disability Agency. Mark sustained complete C5 quadriplegia as a result of a helicopter crash in December 1985, aged 35 and married with four young children.

Brad O'Hara

Experience	A senior executive with over twenty years corporate experience, coupled with sound strategic, risk and financial management skills. Brad spent over ten years at NRMA, the largest member-based organisation in Australia.

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Directors' Report

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Auditor's independence declaration

The lead auditor's independence declaration in accordance with the Australian Charities and Not-for-profit Commission Act 2012, for the year ended 30 June 2019 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....

Michael Gerard Rabbitt

Dated: 24 October 2019

Auditors Independence Declaration under Australian Charities and Not-for-profit Act 2012 to the Directors of Spinal Cord Injuries Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profit Commission Act 2012 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

SCOTT TOBUTT
PARTNER

24 OCTOBER 20190
SYDNEY, NSW

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue			
Services income		**6,286,565**	5,375,857
Government subsidies and grants		**1,855,050**	3,190,031
Donations		**182,411**	295,933
Other income		**351,844**	547,490
Resident contributions		**127,691**	152,738
Interest income		**90,273**	71,513
Other donations and bequests		**3,050,000**	-
	4	**11,943,834**	9,633,562
Operating costs			
Community development		**(5,021,306)**	(4,182,211)
Community services		**(3,031,615)**	(2,902,852)
Administration		**(1,036,603)**	(1,094,667)
Fundraising		**(377,507)**	(439,519)
Marketing		**(457,982)**	(599,487)
Development		**(283,372)**	-
	5	**(10,208,385)**	(9,218,736)
Surplus for the year		**1,735,449**	414,826
Total comprehensive income for the year		**1,735,449**	414,826

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**2,526,122**	2,503,343
Trade and other receivables	7	**773,769**	613,908
Financial assets	8	**-**	2,501,286
TOTAL CURRENT ASSETS		**3,299,891**	5,618,537
NON-CURRENT ASSETS			
Property, plant and equipment	9	**4,393,680**	1,145,884
Intangible assets	10	**181,803**	-
TOTAL NON-CURRENT ASSETS		**4,575,483**	1,145,884
TOTAL ASSETS		**7,875,374**	6,764,421
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**1,065,457**	1,814,449
Short-term provisions	12	**875,735**	781,695
TOTAL CURRENT LIABILITIES		**1,941,192**	2,596,144
NON-CURRENT LIABILITIES			
Long-term provisions	12	**90,206**	59,750
TOTAL NON-CURRENT LIABILITIES		**90,206**	59,750
TOTAL LIABILITIES		**2,031,398**	2,655,894
NET ASSETS		**5,843,976**	4,108,527
EQUITY			
Retained surpluses		**5,843,976**	4,108,527
TOTAL EQUITY		**5,843,976**	4,108,527

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2019

	Retained Surpluses $	Total $
Balance at 1 July 2018	**4,108,527**	**4,108,527**
Surplus attributable to members of the entity	**1,735,449**	**1,735,449**
Balance at 30 June 2019	**5,843,976**	**5,843,976**

	Retained Surpluses $	Total $
Balance at 1 July 2017	3,693,701	3,693,701
Surplus attributable to members of the entity	414,826	414,826
Balance at 30 June 2018	4,108,527	4,108,527

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**6,624,571**	5,516,757
Payments to suppliers and employees		**(9,718,450)**	(8,639,422)
Donations received		**182,411**	295,933
Interest received		**90,273**	72,774
Receipt from grants		**1,154,018**	3,990,577
Net cash provided by/(used in) operating activities		**(1,667,177)**	1,236,619
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		**-**	1,392,301
Payment for intangible assets		**(181,803)**	-
Grant funding recieved to purchase property		**1,250,000**	-
Purchase of property, plant and equipment		**(1,902,653)**	(505,591)
Proceeds from held-to-maturity investments		**2,501,286**	-
Proceeds from sale of plant and equipment		**23,126**	-
Net cash provided by investing activities		**1,689,956**	886,710
Net increase in cash and cash equivalents held		**22,779**	2,123,329
Cash and cash equivalents at beginning of year		**2,503,343**	380,014
Cash and cash equivalents at end of financial year	6	**2,526,122**	2,503,343

The accompanying notes form part of these financial statements.

The financial statements are for Spinal Cord Injuries Australia as a not-for-profit individual entity.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profit Commission Act 2012.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

(a) Comparative figures

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

(b) Changes in significant accounting policies

The aggregate effect of the changes in accounting policies on the annual financial statements for the year ended 30 June 2019 is as follows:

New standards applicable for the current year

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major change to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets.

When adopting AASB 9, the Company has applied transitional relief and opted not to restate prior periods. There have been no differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment as at 1 July 2018.

The adoption of AASB 9 has impacted the classification and measurement of the Company's financial assets.

AASB 9 allows for three categories of classification of financial assets:

- amortised cost;
- FVOCI (Fair Value through Other Comprehensive Income); and
- FVPL (Fair Value through Profit and Loss).

Classification is based on the business model in which a financial asset is managed and the related contractual cashflows. AASB 9 eliminates previous categories of held to maturity, loans and receivables and available for sale. Classification of financial liabilities is largely unchanged. Refer to the below table for a reconciliation of changes in classification and measurement of financial instruments on adoption of AASB 9.

2 Summary of Significant Accounting Policies (cont'd)

(b) Changes in significant accounting policies (cont'd)

Impairment of financial assets

Financial assets carried at amortised cost and those carried at fair value through other comprehensive income (FVOCI) are subject to AASB 9’s new three-stage expected credit loss model. Loss allowances are measured at an amount equal to lifetime expected credit losses (ECL), except for the following, which are measured as 12 months ECL:

- debt investment securities that are determined to have a low credit risk at the reporting date; and
- other financial instruments on which credit risk has not significantly increased since initial recognition.

There have been no impacts on the adoption of AASB 9 at 1 July 2018.

The move to the expected credit loss model under AASB 9 did not result in an increase of the provision for impaired receivables as at the adoption date.

AASB 9 contains exemptions from full retrospective application for the classification and measurement requirements of the new standard, including impairment. These include an exception from the requirement to restate comparative information. Because the Company has elected not to restate comparatives, different accounting policies apply to financial assets and liabilities pre and post adoption of the standard. Therefore, both the pre and post adoption accounting policies for financial instruments are disclosed in the note below.

(c) Property, plant and equipment

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

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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

Depreciation

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

2 Summary of Significant Accounting Policies (cont'd)

(c) Property, plant and equipment (cont'd)

The depreciation rates used for each class of depreciable asset are shown below:

Class of Fixed Asset	Depreciation rate
Buildings	3%
Leasehold improvements	20%
Plant and Equipment	10 - 40%
Motor Vehicles	15% - 25%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(d) Intangibles

Website development

Intangible asset is expenditure incurred during development of website during the year. Website development is expected to be completed during the subsequent financial year.

Once completed the intangible asset will accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over its estimated useful life, as the asset is considered to have a finite useful life.

(e) Financial instruments

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

2 Summary of Significant Accounting Policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

2 Summary of Significant Accounting Policies (cont'd)

(e) Financial instruments (cont'd)

Financial assets (cont'd)

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flowa are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

2 Summary of Significant Accounting Policies (cont'd)

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Trade and other payables

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

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(k) Income Tax

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

(l) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

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

(m) Revenue and other income

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Spinal Cord Injuries Australia's activities as discussed below.

2 Summary of Significant Accounting Policies (cont'd)

(m) Revenue and other income (cont'd)

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Fee Income

Fee income in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Spinal Cord Injuries Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and collections

Collections, donations and bequests are recognised as revenue when received. Directors acknowledge cash donations may be misstated due to the inherent nature of these items, however processes have been implemented that mitigate the risk to an acceptably low level.

Interest revenue

Interest is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

(n) Goods and services tax (GST)

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 Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable in the statement of financial position are shown inclusive of GST.

2 Summary of Significant Accounting Policies (cont'd)

(n) Goods and services tax (GST) (cont'd)

Cash flows are presented in the statement of cash flows are included on a gross basis, except for the GST component of investing and financing activities which are disclosed as as operating cash flows.

(o) Accounting standards issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Company where the standard is relevant:

AASB 15 Revenue from contracts with customers and AASB 1058 Income for Not-for-profit (NFP) entities

AASB 15: Revenue from Contracts with Customers; and AASB 1058: Income for Not-for-profit (NFP) entities are both applicable to the annual reporting periods beginning on or after 1 January 2019 (for NFP entities).

AASB 15 introduces a five-step process for revenue recognition with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. The new standard will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

The directors anticipate that the adoption of AASB 15 and AASB 1058 will not have a material impact on the financial statements.

AASB 16 Leases

AASB 16: Leases; applicable to the annual reporting periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117.

AASB 16 introduces a single lessee accounting model that eliminates the requirements for leases to be classified as operating or finance leases.

The main changes introduced by the Standard will be for all leases to be recognised on the balance sheet at inception of the lease with the exception of short-term leases (less than 12 months) and leases of low value assets.

The lessee must recognise a right-of-use asset and a corresponding lease liability in the amount of the present value of the lease payments. Subsequent to this initial measurement, the right of use asset is depreciated over the lease term, whilst lease payments are separated into a principal and interest portion to wind up the lease liability over the lease term.

2 Summary of Significant Accounting Policies (cont'd)

(o) Accounting standards issued but not yet effective (cont'd)

The directors anticipate that the adoption of AASB 16 will not have a material impact on the financial statements as the Group currently has operating lease commitments of $397,164 which we anticipate will be brought onto the statement of financial position through the recognition of a right to use asset and associated lease liability. Interest and amortisation expense will increase, and rental expense will decrease in the financial year to 30 June 2020.

3 Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. The directors did not make any critical accounting estimates or judgments in the financial statements preparation.

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Revenue and Other Income

	Note	2019 $	2018 $
Revenue			
Community development fee income		**4,595,156**	3,833,030
Community services fee income		**1,629,251**	1,500,070
Donations		**182,411**	295,933
Interest income		**90,273**	71,513
Marketing & fundraising		**62,158**	42,757
Resident contributions		**127,691**	152,738
		6,686,940	5,896,041
Grant revenue			
Government Grants - Commonwealth		**853,834**	524,515
Government Grants - Local		**-**	18,341
Government Grants - State		**1,001,216**	2,647,175
		1,855,050	3,190,031
Other income			
Gain on incorporation of Ability Advocacy	(a)	**282,719**	-
Gain on sale of financial assets		**17,474**	72,774
Gain/(Loss) on sale of non-current assets		**(365)**	413,880
Sundry income		**52,016**	60,836
		351,844	547,490
Other donations and bequests			
Bequested Property - NSW	(b)	**1,800,000**	-
Grant Property - WA	(c)	**1,250,000**	-
		3,050,000	-
Total Revenue		**11,943,834**	9,633,562

(a) Incorporation of Ability Advocacy

The Company made the decision to merge with and incorporate the operations of Ability Incorporated (trading as Ability Advocacy) during the year. Both organisations have performed their due diligence and the merger has been approved by both boards of governance.

(b) Bequested Property - NSW

The Company was bequested a property located in Belmore NSW by the St George Association for People with Physical Disabilities Inc.

(c) Grant Property - WA

The Company received a grant towards a property located in Perth WA to be used in the WA Choices program.

Notes to the Financial Statements

For the Year Ended 30 June 2019

		2019 $	2018 $
5 Expenses			
Depreciation - Building		**17,344**	-
Depreciation - leasehold improvements		**15,376**	17,395
Depreciation - plant and equipment		**359,440**	336,869
Depreciation - Motor Vehicle		**35,772**	50,256
		427,932	404,520
Financial statement audit fees		**25,100**	33,745
NDIS compliance audit fees		**55,621**	-
Employee benefits expense		**7,750,426**	6,866,590
Office equipment		**75,414**	277,833
		7,906,561	7,178,168

6 Cash and Cash Equivalents

	2019 $	2018 $
Cash on hand	**2,100**	2,000
Bank balances	**2,400,104**	1,589,622
Short-term deposits	**123,918**	911,721
	2,526,122	2,503,343

7 Trade and Other Receivables

		2019 $	2018 $
CURRENT			
Trade receivables		**332,542**	309,801
Prepayments		**37,132**	25,831
Accrued income		**404,095**	194,102
NDIS-related balances	(a)	**-**	84,174
		773,769	613,908

(a) NDIS-related balances

NDIS-related balances have been reallocated to Note 11. Trade and Other Payables as at year end. The sub-total of NDIS-related balances is in credit at year end, which represents that the Company has received monies from the government for NDIS-related services ahead of the services being paid to the approved provider.

8 Financial Assets

	2019 $	2018 $
CURRENT		
Financial assets		
- Managed investment portfolio: Koda Capital	**-**	2,501,286
Total current Financial assets	**-**	2,501,286

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Property, plant and equipment

	2019	2018
	$	$
Capital works in progress		
At cost	**134,460**	-
Freehold land		
At cost	**2,510,000**	-
Buildings		
At cost	**840,000**	-
Accumulated depreciation	**(17,344)**	-
	822,656	-
Total land and buildings	**3,332,656**	-
Motor vehicles		
At cost	**273,084**	239,301
Accumulated depreciation	**(175,316)**	(120,935)
	97,768	118,366
Leasehold Improvements		
Improvements	**551,568**	538,725
Accumulated depreciation	**(479,809)**	(464,433)
	71,759	74,292
Plant and equipment		
At cost	**1,164,863**	2,537,032
Accumulated depreciation	**(407,826)**	(1,583,806)
	757,037	953,226
Total property, plant and equipment	**4,393,680**	1,145,884

(a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Land	Buildings	Motor Vehicles	Leasehold Improvements	Plant and Equipment	Total
	$	$	$	$	$	$	$
Year ended 30 June 2019							
Balance at the beggining of the year	-	-	-	118,366	74,292	953,226	1,145,884
Additions	134,460	2,510,000	840,000	82,342	12,843	211,637	3,791,282
Disposals - written down value	-	-	-	(48,559)	-	-	(48,559)
Depreciation expense	-	-	(17,344)	(54,381)	(15,376)	(407,826)	(494,927)
Balance at the end of the year	134,460	2,510,000	822,656	97,768	71,759	757,037	4,393,680

Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 $	2018 $
10 Intangible Assets		
Website development		
At cost	**181,803**	-
11 Trade and Other Payables		
CURRENT		
Trade payables	**739,111**	559,940
Other payables	**51,354**	311,142
Revenue received in advance	**242,335**	943,367
NDIS-related balances	**32,657**	-
	1,065,457	1,814,449
12 Provisions		
CURRENT		
Employee entitlements	**875,735**	781,695
NON-CURRENT		
Employee entitlements	**90,206**	59,750

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Capital and Leasing Commitments

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2019 $	2018 $
Payable - minimum lease payments		
- not later than 1 year	**235,150**	262,610
- between 1 year and 5 years	**162,014**	120,288
	397,164	382,898

14 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

15 Financial Risk Management

The main risks Spinal Cord Injuries Australia is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate and equity price risk.

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2019 $	2018 $
Financial Assets		
Cash and cash equivalents	**2,526,122**	2,503,343
Trade and other receivables	**773,769**	613,908
- Managed investment portfolio	**-**	2,501,286
	3,299,891	5,618,537
Financial Liabilities		
Trade and other payables	**1,065,457**	1,853,428

16 Interests of Key Management Personnel

The total remuneration paid to the key management personnel of the company is **$**1,220,437 (2018: $ 1,112,986).

17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Spinal Cord Injuries Australia

ABN: 93 001 263 734

Responsible Persons' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 24, are in accordance with the Australian Charities and Not-for-profit Commission Act 2012 and:

    a. comply with Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on the date of the company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

M. G. Rabbitt

Director ....

Michael Gerard Rabbitt

Dated: 24 October 2019

INDEPENDENT AUDITOR'S REPORT

PKF

TO THE MEMBERS OF SPINAL CORD INJURIES AUSTRALIA

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Spinal Cord Injuries Australia (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the Australian Charities and Not-for-profit Commission Act 2012 presents fairly, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profit Commission Act 2012, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the revenue recognition policy of the Company, including the limitations that exist in relation to the recording of cash receipts from collection. Revenue from this source represents $40,793 which is 0.3% of the Company's overall revenue. Our opinion is unmodified in respect of this matter.

Responsibilities of Directors for the Financial Report

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

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

PKF(NS) Audit & Assurance Limited Partnership
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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PKF

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SCOTT TOBUTT
PARTNER

24 OCTOBER 2019
SYDNEY, NSW