

Spinal Cord Injuries Australia

ABN: 93 001 263 734

Financial Statements

For the Year Ended 30 June 2020

Spinal Cord Injuries Australia

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For the Year Ended 30 June 2020

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Spinal Cord Injuries Australia

Directors' Report 30 June 2020

The directors present their report on Spinal Cord Injuries Australia for the financial year ended 30 June 2020.

Directors

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

Names	Position	Appointed since
Christine Tink *	President	2016
Brett Stevenson *	Director	2016
Chris Nicholls *	Director	2017
Michael Gerard Rabbitt *	Chairman	2017
Stewart Calderwood	Director	2012
Robert Vander Kraats *	Director	2018
Paul Crake *	Director	2018
George Panos	Director	2019
Leesa Addison	Director	2019
Glen Davis	Director	Appointed 27/02/2020

* Denotes a person with disability

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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 Organisation's activity occurred during the financial year.

Spinal Cord Injuries Australia

Directors' Report

30 June 2020

Strategy for achieving the objectives

After extensive consultation, analysis and engagement we launched our new three-year organisational strategy in late 2019.

Our new organisational purpose is “To create a world where people with spinal and neuro conditions and their loved ones thrive”. To deliver on our purpose, our strategy is focused on “Delivering a better today” and “Building a better tomorrow”.

This is underpinned by six pillars:

- Freedom to choose
- A place to call home
- Meaningful work
- Care for my wellbeing
- Create an inclusive future
- Pioneer the evidence

Although the strategy was finalised for implementation in 2020, we commenced work in building the foundations and our capability in a number of high priority areas from the beginning of the 2019/20 financial year. The following highlights the key works undertaken:

- We upgraded and enhanced our core technology platforms. We transitioned from on premise infrastructure (servers) to the cloud and landlines were replaced by a VOIP solution. Both these initiatives allowed the majority of our teams to quickly and seamlessly move to working from home as a response to the pandemic and to continue to deliver services to our clients. We also commenced the replacement of our Finance System with a new Business Enterprise System which will be operational in the second quarter of 2020/21.
- An asset management plan was developed to deliver a single view of the organisation's assets and to ensure that we meet our compliance obligations. There were a number of sites that were upgraded over the year which included refreshing and branding our NeuroMoves sites, increasing seating capacity at our head office in Little Bay and providing an outdoor break out area for staff. Our Sydney office was relocated to a more central site so we can accommodate more staff and has the added benefit of a boardroom which can be used for events, training and board meetings.
- Work was undertaken to strengthen governance across our organisation. The Clinical Governance framework was established to ensure that the systems are in place to protect and support the workforce and that the clinical services have the right people with the right skills at the right time to provide high quality person-centred care to all clients. The Work Health and Safety (WHS) and Risk Management systems were enhanced and we implemented a new extended Risk & WHS Committee. The Committee members represent all SCIA workplaces and champion risk management across SCIA.
- We also commenced the development of a Research Framework for the organisation so we can actively build the evidence base for our services as well as be involved in translation research which will positively impact on our members and clients to thrive in line with our organisational purpose.
- We also commenced a full review of our Shared Services and back office costs in the second half of 2019/20 so we can develop a plan to reduce these costs to a more sustainable level from the third quarter of 2020/21.
- We formalised and commenced our new inclusive Employment Service which promotes and supports the employment of people with physical disabilities as well as bringing in new contract work to our disability social enterprise.

One-off expenditure increased in the 2019/20 financial year as a result of implementing the initiatives identified above.

Spinal Cord Injuries Australia

Directors' Report

30 June 2020

How principal activities assisted in achieving the objectives

The principal activities assisted the Organisation 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 Organisation 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

COVID Response

When COVID-19 was first identified we developed a COVID response team comprised of the CEO and key leaders to lead the response. The focus of the team was the health and wellbeing of staff and clients, business continuity and the sustainability of our organisation whilst at all times following government advice. The team met daily during periods of rapidly changing information and held weekly updates with managers and staff to keep them informed of the latest updates. Financial modelling was undertaken and independent advice sought as we worked through the government subsidy opportunities. As we upgraded our technology platforms, we were able to transition all of our teams, except Occasional and Emergency Services, to work from home seamlessly.

Our NeuroMoves service had already been piloting telehealth when we were required to close our physical sites. Due to this the team re-deployed the service to a telehealth platform within two to three weeks. This led to the service being able to continue with an average of 50% of our clients receiving telehealth service.

COVID policies, work practises and protocols were established and communicated across the organisation. This formed part of SCIA's "3 Step Plan" for a COVID Safe re-entry. We developed safe work practices, risk assessment processes, implemented additional hygiene protocols and introduced a structured staff health and well-being program.

We also focussed on supporting our clients and members and from the outset of the pandemic we utilised an impact measurement tool with our staff, members and clients to understand the emerging needs of our community and how we can best support them during this extraordinary time. These results allowed us to target areas of concern quickly by issuing targeted communications, providing staff with additional support via our Employee Assistance Program, COVID information and links on our website and conducting "online" events for our community such as mindfulness.

Prior to COVID we were on track to achieving a higher revenue target than budgeted. However, with COVID we have seen a reduction in revenue which lead to the organisation being eligible for the Job Keeper 1.0 payment from March 2020. We have also found that the annual leave liability has increased as staff have not been taking their scheduled annual leave due to the COVID restrictions. We are introducing a new Leave Policy which will be effective from the second quarter of 2020/21 which will reduce the annual leave liability to a more acceptable level.

Spinal Cord Injuries Australia

Directors' Report

30 June 2020

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	
Number eligible to attend	Number attended
Christine Tink *	9
Brett Stevenson *	9
Chris Nicholls *	9
Michael Gerard Rabbitt *	11
Stewart Calderwood	11
Robert Vander Kraats *	9
Paul Crake *	10
George Panos	11
Leesa Addison	10
Glen Davis	5

Members' guarantee

Spinal Cord Injuries Australia is registered under the Australian Charities and Not-for-profit Commission Act 2012 and is an entity limited by guarantee. If the organisation is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the organisation. At 30 June 2020 the number of members was 2,587 (2019: 2,302).

At 30 June 2020 the collective liability of members was \$ 51,740 (2019: \$ 46,040).

Director information

Christine Tink *

Experience

President

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

Director

Brett has owned and run an independent business offering grain marketing and price risk management services to Australian farmers for over twenty years. Longterm 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.

Spinal Cord Injuries Australia

Directors' Report

30 June 2020

Director information

Chris Nicholls *

Experience

Director

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.

Michael Gerard Rabbitt *

Experience

Chairman

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.

Stewart Calderwood

Experience

Director

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

Director

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.

Paul Crake *

Experience

Director

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

Director

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 a MBA.

Spinal Cord Injuries Australia

Directors' Report

30 June 2020

Director information

Leesa Addison
Experience

Director
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.


Glen Davis
Experience

Director
Glen is Professor of Clinical Exercise Sciences at the University of Sydney, where he is also Director of the Clinical Exercise and Rehabilitation Unit within the Sydney School of Health Sciences. His main research and innovation activities are to deploy novel assistive technologies, surveillance technologies and other medical devices to clinical populations to improve 'dose-potency' of exercise for health, fitness and functional outcomes in these populations. He has a particular focus on the use of functional electrical stimulation (FES) and robotic technologies, including neuroprostheses, for individuals with spinal cord injury and stroke, to improve their quality of life.

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 2020 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: 

Dated this 27th day of OCTOBER 2020

Spinal Cord Injuries Australia

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Spinal Cord Injuries Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits 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

27 OCTOBER 2020
SYDNEY, NSW

Spinal Cord Injuries Australia

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Services income		7,445,675	6,286,565
Government subsidies and grants		2,551,915	1,855,050
Donations		260,520	182,411
Resident contributions		125,826	127,691
Interest income		28,438	90,273
Other income		68,917	351,844
		<u>10,481,291</u>	<u>8,893,834</u>
Other revenue			
Bequested property		375,000	1,800,000
Grant property		-	1,250,000
ATO funding - COVID		1,094,500	-
		<u>1,469,500</u>	<u>3,050,000</u>
Total revenue	5	<u>11,950,791</u>	<u>11,943,834</u>
Operating costs			
Community development		(5,706,936)	(5,021,306)
Community services		(3,776,572)	(3,031,615)
Administration		(1,765,344)	(1,036,603)
Fundraising		(477,452)	(377,507)
Marketing		(429,705)	(457,982)
Development		(241,991)	(283,372)
Total operating costs	6	<u>(12,398,000)</u>	<u>(10,208,385)</u>
Loss / Surplus for the year		<u>(447,209)</u>	<u>1,735,449</u>
Total comprehensive income for the year		<u>(447,209)</u>	<u>1,735,449</u>

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,437,350	2,526,122
Trade and other receivables	8	1,085,602	773,769
TOTAL CURRENT ASSETS		3,522,952	3,299,891
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,713,839	4,413,579
Intangible assets	10	181,704	161,904
TOTAL NON-CURRENT ASSETS		4,895,543	4,575,483
TOTAL ASSETS		8,418,495	7,875,374
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,766,991	1,065,457
Lease liabilities	12	101,437	-
Employee benefits	13	1,039,087	875,735
TOTAL CURRENT LIABILITIES		2,907,515	1,941,192
NON-CURRENT LIABILITIES			
Lease liabilities	12	17,961	-
Employee benefits	13	96,252	90,206
TOTAL NON-CURRENT LIABILITIES		114,213	90,206
TOTAL LIABILITIES		3,021,728	2,031,398
NET ASSETS		5,396,767	5,843,976
EQUITY			
Retained surpluses		5,396,767	5,843,976
TOTAL EQUITY		5,396,767	5,843,976

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Changes in Equity For the Year Ended 30 June 2020

	Retained Surpluses	Total
	\$	\$
Balance at 1 July 2019	5,843,976	5,843,976
Loss attributable to members of the entity	(477,209)	(477,209)
Balance at 30 June 2020	5,366,767	5,366,767

	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

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	8,310,952	6,624,571
Payments to suppliers and employees	(11,425,196)	(9,718,450)
Donations received	329,805	182,411
Interest received	28,438	90,273
Receipt from grants	3,045,558	1,154,018
Net cash provided by/(used in) operating activities	<u>289,557</u>	<u>(1,667,177)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible assets	(30,375)	(161,904)
Grant funding received to purchase property	-	1,250,000
Purchase of property, plant and equipment	(347,954)	(1,922,552)
Proceeds from financial instruments	-	2,501,286
Proceeds from sale of plant and equipment	-	23,126
Net cash provided by/(used in) investing activities	<u>(378,329)</u>	<u>1,689,956</u>
Net increase/(decrease) in cash and cash equivalents held	(88,772)	22,779
Cash and cash equivalents at beginning of year	<u>2,526,122</u>	2,503,343
Cash and cash equivalents at end of financial year	7 <u><u>2,437,350</u></u>	<u><u>2,526,122</u></u>

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Spinal Cord Injuries Australia as an individual entity. Spinal Cord Injuries Australia is a not-for-profit organisation, registered and domiciled in Australia.

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-profits 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 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Organisation has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Organisation has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations.

The transition to AASB 15 has not had a material impact on the financial statements or the Organisation's existing revenue accounting policies.

Leases - Adoption of AASB 16

The Organisation has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Organisation as a lessee

Under AASB 117, the Organisation assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Organisation or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Organisation has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Refer to Note 9 and Note 12 for impact of AASB 16 upon the organisation's statement of financial position.

Notes to the Financial Statements For the Year Ended 30 June 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Organisation has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Organisation's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Organisation has recognised right-of-use assets of \$166,112 and lease liabilities of \$160,320 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.10%.

	\$
Operating lease commitments at 30 June 2019 financial statements	397,164
Transitional adjustments	<u>(236,844)</u>
Lease liabilities recognised at 1 July 2019	<u>160,320</u>

Transitional adjustments mainly relates to the reassessment of operating leases disclosed at 30 June 2019 which where no longer considered material for the purposes of AASB 16 as at 1 July 2019.

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Property, plant and equipment

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

Property, plant and equipment - not for profits - contributed at no cost

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Organisation, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Depreciation Rates

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

Fixed asset class	Depreciation rate
Buildings	3%
Plant and Equipment	10 - 40%
Motor Vehicles	15 - 25%
Leasehold improvements	10 - 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Intangibles

Website development

Capitalised website development costs are carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

(c) Financial instruments

Financial instruments are recognised initially on the date that the Organisation 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 Organisation classifies its financial assets into the following categories, those measured at:

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

Financial assets are not reclassified subsequent to their initial recognition unless the Organisation 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 that are solely payments of principal and interest on the principal amount outstanding.

The Organisation'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.

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(c) Financial instruments

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- 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 Organisation 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 Organisation's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Organisation in full, without recourse to the Organisation 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 Organisation 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 Organisation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

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 Organisation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows 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 Organisation 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 Organisation comprise trade payables, bank and other loans and lease liabilities.

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(d) Impairment of non-financial assets

At the end of each reporting period the Organisation determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) 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 within 30 days of recognition of the liability.

(g) Employee benefits

Provision is made for the Organisation'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 expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(h) Income Tax

The Organisation is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(i) Revenue and other income

The Organisation 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.

Notes to the Financial Statements
For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(i) Revenue and other income

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 organisation obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the organisation 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).

(j) 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).

Receivables and payable are stated inclusive of GST.

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 operating cash flows.

Notes to the Financial Statements
For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(k) Adoption of new and revised accounting standards

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Directors do not expect the adoption of these standards to have any impact on the reporting position or performance of the organisation.

4 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 organisation. The directors did not make any critical accounting estimates or judgments in the financial statements preparation.

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2020

5 Revenue and other Income

	2020	2019
	\$	\$
Revenue		
Community development fee income	5,388,835	4,595,156
Community services fee income	1,970,138	1,629,251
Donations	260,520	182,411
Interest income	28,438	90,273
Marketing and fundraising	86,702	62,158
Resident contributions	125,826	127,691
	<u>7,860,459</u>	6,686,940
Grant revenue		
Government grants - Commonwealth	1,554,430	853,834
Government grants - State	997,485	1,001,216
	<u>2,551,915</u>	1,855,050
Other income		
Gain on incorporation of Ability Advocacy	-	282,719
Gain on sale of financial assets	697	17,474
Gain on sale of non-current assets	5,752	(365)
Sundry income	62,468	52,016
	<u>68,917</u>	351,844
Other revenue		
Bequested property	375,000	1,800,000
Grant property	-	1,250,000
ATO funding - COVID	1,094,500	-
	<u>1,469,500</u>	3,050,000
Total revenue	<u>11,950,791</u>	11,943,834

6 Operating costs and other expenses

Depreciation		
Buildings	25,643	17,344
Leasehold improvements	30,049	15,376
Plant and equipment	362,354	359,440
Motor vehicles	25,223	35,772
Right of Use - Buildings	119,343	-
	<u>562,612</u>	427,932
Other expenses		
Financial statement audit fees	25,850	25,100
NDIS compliance and audit fees	34,415	55,621
Employee benefits expense	9,766,832	7,750,426
Rent expense	413,524	466,972
	<u>10,240,621</u>	8,298,119

Spinal Cord Injuries Australia

Notes to the Financial Statements

For the Year Ended 30 June 2020

7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash on hand	1,800	2,100
Bank balances	893,422	2,400,104
Short-term deposits	1,542,128	123,918
	<u>2,437,350</u>	<u>2,526,122</u>

8 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	197,006	332,542
Prepayments	48,531	37,132
Accrued income	840,065	404,095
Total trade and other receivables	<u>1,085,602</u>	<u>773,769</u>

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2020

9 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	<u>2,660,000</u>	2,510,000
Buildings		
At cost	1,020,000	840,000
Accumulated depreciation	<u>(42,987)</u>	(17,344)
	<u>977,013</u>	822,656
PLANT AND EQUIPMENT		
Works in progress		
At cost	<u>-</u>	154,359
Plant and equipment		
At cost	2,415,508	2,748,669
Accumulated depreciation	<u>(1,706,463)</u>	(1,991,632)
	<u>709,045</u>	757,037
Motor vehicles		
At cost	215,989	273,084
Accumulated depreciation	<u>(141,867)</u>	(175,316)
	<u>74,122</u>	97,768
Leasehold Improvements		
At cost	253,226	551,568
Accumulated amortisation	<u>(62,110)</u>	(479,809)
	<u>191,116</u>	71,759
RIGHT-OF-USE		
Right-of-Use - Buildings		
At cost	345,192	-
Accumulated depreciation	<u>(217,649)</u>	-
Make good provision	<u>(25,000)</u>	-
	<u>102,543</u>	-
Total property, plant and equipment	<u><u>4,713,839</u></u>	<u><u>4,413,579</u></u>

Notes to the Financial Statements
For the Year Ended 30 June 2020

9 Property, plant and equipment

(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:

	Land	Buildings	Works in progress	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Right-of-Use - Buildings	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020								
Opening	2,510,000	822,656	154,359	757,037	97,768	71,759	-	4,413,579
Adoption of AASB16	-	-	-	-	-	-	166,112	166,112
Additions	150,000	180,000	58,829	224,293	45,000	23,292	80,774	762,188
Disposals	-	-	-	(3,826)	(43,423)	(3,754)	-	(51,003)
Depreciation	-	(25,643)	-	(351,779)	(25,223)	(30,049)	(119,343)	(552,037)
Transfers	-	-	(213,188)	83,320	-	129,868	-	-
Make good	-	-	-	-	-	-	(25,000)	(25,000)
Balance at the end of the year	2,660,000	977,013	-	709,045	74,122	191,116	102,543	4,713,839

10 Intangible Assets

	2020	2019
	\$	\$
DigiHub development		
Cost	192,279	161,904
Accumulated amortisation and impairment	(10,575)	-
Net carrying value	181,704	161,904
Total Intangible assets	181,704	161,904

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2020

11 Trade and Other Payables

	2020	2019
Note	\$	\$
CURRENT		
Trade payables	764,988	739,111
Other payables	268,307	51,354
Revenue received in advance	735,978	242,335
NDIS-related balances	(a) (2,282)	32,657
	<u>1,766,991</u>	<u>1,065,457</u>

(a) NDIS-related balances

The subtotal of NDIS-related balances is in debit at year end, which represents that the Organisation has received monies from the government for NDIS-related services ahead of the services being paid to an approved provider.

12 Lease liabilities

CURRENT		
Lease liabilities	101,437	-
	<u>101,437</u>	<u>-</u>
NON-CURRENT		
Lease liabilities	17,961	-
	<u>17,961</u>	<u>-</u>

13 Employee Benefits

Current liabilities		
Employee benefits	1,039,087	875,735
	<u>1,039,087</u>	<u>875,735</u>
Non-current liabilities		
Employee benefits	96,252	90,206
	<u>96,252</u>	<u>90,206</u>

14 Contingencies

In the opinion of those charged with governance, the Organisation did not have any contingencies at 30 June 2020 (30 June 2019:None).

Spinal Cord Injuries Australia

Notes to the Financial Statements

For the Year Ended 30 June 2020

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 risk.

The organisation'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 the accounting policies to these financial statements, are as follows:

	2020	2019
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	2,437,350	2,526,122
Trade and other receivables	1,085,602	773,769
Total financial assets	3,522,952	3,299,891
Financial liabilities		
Financial liabilities at amortised cost	1,766,991	1,065,457
Total financial liabilities	1,766,991	1,065,457

16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Organisation is \$ 1,336,642 (2019: \$ 1,220,437).

17 Events after the end of the Reporting Period

The financial report was authorised for issue on 27 October 2020 by those charged with governance.

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

Spinal Cord Injuries Australia

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person M. L. Pugh Responsible person

Dated 27th OCTOBER 2020

INDEPENDENT AUDITOR'S REPORT

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 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 financial report of Spinal Cord Injuries Australia, has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and *Division 60 of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standard) (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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Other Information (cont'd)

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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.

The directors are responsible for overseeing the Company's financial reporting process.

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 control 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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, action taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 60-45(3) (b) of the *Australian Charities and Not-for-profits Commission Act 2012*, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the *Australian Charities and Not-for-profits Commission Act 2012*. Our opinion on the financial report is not modified, in our opinion, they have been appropriately addressed by Spinal Cord Injuries Australia.



PKF



SCOTT TOBUTT
PARTNER

27 OCTOBER 2020
SYDNEY, NSW