

Spinal Cord Injuries Australia

Financial Statements

For the Year Ended 30 June 2022

Spinal Cord Injuries Australia

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For the Year Ended 30 June 2022

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Spinal Cord Injuries Australia

Directors' Report 30 June 2022

The directors present their report on Spinal Cord Injuries Australia for the financial year ended 30 June 2022.

General information

Directors

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

Names	Position	Appointed/Resigned	Director since
Christine Tink *	President	Resigned July 2021	2016
Michael Gerard Rabbitt *	Chairman		2017
Chris Nicholls *	Director		2017
David Ham *	Director		2020
George Panos	Director		2019
Glen Davis	Director		2020
Leesa Addison	Director		2019
Michelina Pelosi *	Director		2020
Paul Crake *	Director		2018
Stewart Calderwood *	Director		2012
Shane Clifton *	President	Appointed November 2021	2021
Shirley Carpenter	Company Secretary		2020

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.

Overview of operations

Overview

The 2021-2022 financial year was expected to be a year of growth, investment in systems and services, and the commencement of cost saving plans resulting from efficiency initiatives. A financial loss was budgeted for while plans were being implemented, however the final reported financial loss was significantly larger than planned due to several key events during the year.

COVID

By far the largest negative impact on the results for the year was the continuation of COVID-19 and its effects. While government funding ceased in the first quarter of the year, covid continued to affect both staff and clients throughout the year, compounded by the severe flu season.

All services and administrative areas experienced staff shortages due to illness and COVID related isolation requirements. This impacted both revenue in services relying on billable hours, and in the ability to progress with planned projects.

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Directors' Report

30 June 2022

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Overview of operations

The service that experienced the highest impact was our Neuromoves exercise therapy service. Being a face-to-face service with income driven by billable hours, revenue was severely affected by staff shortages, client absences and cancellations. Additional costs of personal protective equipment and increased cleaning also continued throughout the year.

SCIA also committed to paying staff for pandemic leave throughout this time, reflecting the mandatory isolation periods for staff when unwell with COVID.

While a number of initiatives were implemented to maximise billable hours and alleviate the staffing shortages, including the restructuring of leadership roles, these were unable to prevent the loss, estimated at \$2.7m revenue impact versus budget.

Whilst these results were a shortfall to budget, Neuromoves and Community Services managed to maintain revenue at the same levels as the previous year, which demonstrated the flexibility and determination of the team during a very difficult year.

The hard work and resilience of the teams is reflected in the continuation of service provision for clients during this time.

Floods

In February, NSW experienced a weather event resulting in severe floods in several areas. The Lismore area, which experienced severe flooding, is the location of one of SCIA's Neuromoves gyms.

While the gym, located at the Southern Cross University, was not itself flooded, the campus was used as a triage and evacuation centre and SCIA were unable to use the facility for 9 full days and had another 16 days of limited access due to road closures, resulting in a further loss of Neuromoves revenue.

SCIA staff in Lismore assisted with rescue and recovery efforts and contacted clients offering them assistance and ensuring their safety. Our Advocacy and Community Services office in the Northern Rivers was also affected by the floods but continued to maintain services through working from home.

SCIA committed to continue to recompense affected staff during this time.

Services growth and sustainability

Grant funded services Peer Support and Advocacy both saw a reduction in grant funding during the year. Advocacy services were restructured to best meet client needs within the reduced funding and reflecting additional services to be provided against new Representative advocacy grant funding.

Peer Support was primarily funded by SCIA during the year, with limited grant funding. A new 3-year partnership with Law Partners contributed to funding along with targeted appeals by SCIA fundraising.

Our new Wheelchair Accessible Taxi booking service showed continuous improvement during the year through both gained experience and investment in systems development driving benefits for both passengers and drivers.

Both our Employment Service and Social Enterprise Service performed well, with grant funded investment in Employment assisting in driving our strategic agenda in this area.

Investment and efficiency

As per strategic plans, SCIA moved forward in 2021-2022 with projects aimed at increasing efficiency, reducing costs, automating manual systems, and building the right platforms to enable future growth.

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Key to these strategic aims is the implementation of a fully integrated Microsoft systems solution resulting in automated information flows from services through to administration. This project was delayed during the covid period with staff shortages but commenced in the second half of the year.

The first stage of implementation rolled out at the end of the year and further stages will continue to be implemented during the first half of 2022-2023.

As a result of the automation of manual processes, administrative departments will be streamlined during the first half of 2022-2023. This process started in May 2022 with the costs of expected redundancies included in the 2021-2022 results. Associated cost savings will be reflected in the 2022-2023 financial year results.

Additionally, other cost saving initiatives resulting from new hybrid working arrangements particularly relating to office spaces have commenced with savings to flow into next financial year.

Focus for the future

The 2022-2023 financial year's focus is financial recovery and sustainability. The first half of the year will see a continuation of the implementation of new systems and reduction in administrative costs resulting from streamlined processes and increased automation. In the second half of the year, the efficiency and technology changes and related structure realignments will have been completed and benefits will be fully realised. Both services growth and administrative savings will result in the organisation moving to a sustainable financial position during the second half of the year with the new processes and structure in place to enable future growth.

How principal activities assisted in achieving the objectives

The principal activities assisted the Organisation in achieving its objectives through the alignment of each departments 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.

Spinal Cord Injuries Australia

Directors' Report

30 June 2022

General information

Meeting of directors

During the financial year, 8 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 *	1	1
Michael Gerard Rabbitt *	8	8
Chris Nicholls *	8	6
David Ham *	7	6
George Panos	8	8
Glen Davis	8	7
Leesa Addison	8	8
Michelina Pelosi *	8	7
Paul Crake *	8	6
Stewart Calderwood *	8	6
Shane Clifton *	5	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 2022 the number of members was 3,028 (2021: 2,923).

At 30 June 2022 the collective liability of members was \$ 60,560 (2021: \$ 58,460).

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Christine Tink *	President
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.
Michael Gerard Rabbitt *	Chairman
Experience	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.

Spinal Cord Injuries Australia

Directors' Report

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Information on directors

Chris Nicholls *	Director
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.
David Ham *	Director
Experience	David is owner operator of "Nundi", an 850 Ha wool-growing property located at Oberne Creek in NSW. He is a high functioning incomplete quadriplegic following a bicycle accident in 2017 resulting in a spinal cord injury to C3/C4. He has strong interests in sailing his International Flying Dutchman Class dinghy and continues cycling on a recumbent tricycle. He is also the deputy captain of the local RFS brigade. David has a particular interest in the challenges facing people living with disability in regional Australia.
George Panos	Director
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 a MBA.
Glen Davis	Director
Experience	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.
Leesa Addison	Director
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.

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Directors' Report

30 June 2022

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Information on directors

Michelina Pelosi *	Director
Experience	Michelina has worked in a variety of roles and industries from administration to marketing and in recent years also training and public speaking. Michelina has owned her own bridal business and worked for organisations including Qantas, SC Johnson, TAFE NSW, PBF Australia and more recently Total Ability and SDA Liveable Homes. Michelina has also worked for SCIA providing peer support. Michelina has travelled extensively promoting a lived experience to empower and encourage people with disability to live a life unbroken. She sustained a L2/T12 spinal cord injury following a motor vehicle accident in 1989.
Paul Crake *	Director
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.
Stewart Calderwood *	Director
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.
Shane Clifton *	President
Experience	Shane is Assistant Director, Policy, Royal Commission into Violence, Abuse, Neglect and Exploitation against People with Disability, Co-lead, developer and researcher, Hammondcare, for Engage, Exploring meaning and purpose after spinal cord injury, and Honorary Associate, Centre for Disability Research and Policy, the Faculty of Health Sciences, the University of Sydney. An ethicist and disability scholar, Shane's interests lie in exploring themes around the flourishing of people with spinal cord injury and other disabilities. Shane lives with quadriplegia.

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

Spinal Cord Injuries Australia

Directors' Report

30 June 2022

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 30 June 2022 has been received and can be found on page 8 of the financial report.

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



Director:



Director:

Dated this 28th day of October 2022

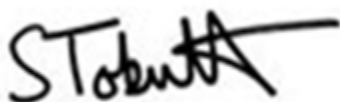
Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Spinal Cord Injuries Australia.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the 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

28 OCTOBER 2022
SYDNEY, NSW

Spinal Cord Injuries Australia

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
Revenue		
Services income	11,680,137	10,278,953
Government subsidies and grants	2,496,873	2,600,398
Donations	451,161	311,163
Resident contributions	100,546	104,629
Interest income	34,401	19,642
Other income	131,416	67,316
	<u>14,894,534</u>	<u>13,382,101</u>
Other income		
Gain on sale of assets	-	339,951
ATO grants	-	1,255,500
Service NSW grants	992,027	-
	<u>992,027</u>	<u>1,595,451</u>
Total revenue	5 <u>15,886,561</u>	<u>14,977,552</u>
Operating costs		
Community development	(8,702,214)	(6,683,923)
Community services	(4,615,038)	(3,615,474)
Administration	(3,580,017)	(4,068,120)
Fundraising	(359,658)	(435,519)
Marketing	(424,525)	(287,472)
Development	(440,710)	(387,487)
Total operating costs	6 <u>(18,122,162)</u>	<u>(15,477,995)</u>
Loss for the year	<u>(2,235,601)</u>	<u>(500,443)</u>
Other comprehensive income		
Surplus on revaluation of land and buildings	570,000	-
Total comprehensive income	<u>(1,665,601)</u>	<u>(500,443)</u>

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,676,861	4,148,673
Trade and other receivables	8	1,275,820	1,294,752
TOTAL CURRENT ASSETS		<u>3,952,681</u>	<u>5,443,425</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	5,137,953	5,097,401
Intangible assets	10	84,753	117,573
TOTAL NON-CURRENT ASSETS		<u>5,222,706</u>	<u>5,214,974</u>
TOTAL ASSETS		<u>9,175,387</u>	<u>10,658,399</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	2,577,548	2,328,028
Lease liabilities	11	469,531	379,233
Employee benefits	13	1,454,464	1,265,528
TOTAL CURRENT LIABILITIES		<u>4,501,543</u>	<u>3,972,789</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	1,292,932	1,670,075
Employee benefits	13	150,189	119,211
TOTAL NON-CURRENT LIABILITIES		<u>1,443,121</u>	<u>1,789,286</u>
TOTAL LIABILITIES		<u>5,944,664</u>	<u>5,762,075</u>
NET ASSETS		<u>3,230,723</u>	<u>4,896,324</u>
EQUITY			
Reserves		570,000	-
Retained surpluses		2,660,723	4,896,324
TOTAL EQUITY		<u>3,230,723</u>	<u>4,896,324</u>

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Changes in Equity For the Year Ended 30 June 2022

	Retained surpluses	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	4,896,324	-	4,896,324
Loss attributable to members of the entity	(2,235,601)	-	(2,235,601)
Revaluation increment	-	570,000	570,000
Balance at 30 June 2022	2,660,723	570,000	3,230,723

	Retained surpluses	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	5,396,767	-	5,396,767
Loss attributable to members of the entity	(500,443)	-	(500,443)
Balance at 30 June 2021	4,896,324	-	4,896,324

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	13,043,834	11,272,741
Payments to suppliers and employees	(18,034,869)	(15,444,936)
Donations received	451,161	311,163
Interest received	34,401	19,642
Receipt from grants	3,312,361	4,128,865
Net cash provided by/(used in) operating activities	<u>(1,193,112)</u>	<u>287,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(247,389)	(716,185)
Proceeds on disposal of land and buildings	-	2,100,783
Proceeds on disposal of motor vehicle	-	39,250
Purchase of intangible assets	(31,311)	-
Net cash provided by/(used in) investing activities	<u>(278,700)</u>	<u>1,423,848</u>
Net increase/(decrease) in cash and cash equivalents held	(1,471,812)	1,711,323
Cash and cash equivalents at beginning of year	4,148,673	2,437,350
Cash and cash equivalents at end of financial year	7 <u>2,676,861</u>	<u>4,148,673</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 2022

The financial report covers Spinal Cord Injuries Australia as an individual entity. Spinal Cord Injuries Australia is a not-for-profit Company, 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 - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 New Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standard are the most relevant to the Company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Organisation expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contact with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Organisation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

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.

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.

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).

(b) Income Tax

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

(c) 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 in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(d) 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.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's 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.

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.

(e) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(e) Financial instruments

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

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

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
- debt investments measured at FVOCI

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.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

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.

(f) Impairment of non-financial assets

At the end of each reporting period the Organisation determines whether there is 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.

Notes to the Financial Statements For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

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.

(g) Intangible assets

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.

(h) 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.

(i) Leases

At inception of a contract, the Organisation assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Organisation has chosen not to apply AASB 16 to leases of intangible assets.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Organisation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Organisation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Summary of Significant Accounting Policies

(j) Employee benefits

Provision is made for the Organisation's liability for employee benefits, those 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.

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Organisation assesses impairment at the end of each reporting period by evaluating conditions specific to the Organisation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2022

5 Revenue and other income

	2022	2021
	\$	\$
Revenue		
Community development fee income	9,121,046	7,970,079
Community services fee income	2,559,091	2,308,874
Donations	451,161	311,163
Interest income	34,401	19,642
Resident contributions	100,546	104,629
	<u>12,266,245</u>	<u>10,714,387</u>
Grant revenue		
Government grants - Commonwealth	1,722,395	1,313,998
Government grants - State	774,479	1,286,400
	<u>2,496,874</u>	<u>2,600,398</u>
Other income		
Sundry income	131,416	67,316
	<u>131,416</u>	<u>67,316</u>
Other revenue		
Gain on sale of assets	-	339,951
ATO Grants	-	1,255,500
Services NSW - JobSaver	992,027	-
	<u>992,027</u>	<u>1,595,451</u>
Total revenue	<u>15,886,562</u>	<u>14,977,552</u>

6 Operating costs and other expenses

Depreciation		
Buildings	21,603	23,854
Leasehold improvements	82,698	54,177
Plant and machinery	297,288	298,566
Motor vehicles	12,012	14,831
Intangible assets	64,131	64,131
Right-of-use assets	502,675	467,907
	<u>980,407</u>	<u>923,466</u>
Other expenses		
Financial statement audit fees	28,900	26,100
NDIS compliance and audit fees	14,474	13,486
Employee benefit expenses	14,281,088	12,211,888
Rent expense	261,118	237,472
	<u>14,585,580</u>	<u>12,488,946</u>

Spinal Cord Injuries Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on hand	472	1,500
Bank balances	1,476,533	1,453,748
Short-term deposits	1,006,250	2,500,000
	<u>2,676,861</u>	<u>4,148,673</u>

8 Trade and Other Receivables

CURRENT		
Trade receivables	402,050	211,773
Less: Provision for doubtful debts	(73,000)	-
	<u>329,050</u>	<u>211,773</u>
Prepayments	62,638	90,600
Accrued income	884,132	992,379
Total trade and other receivables	<u><u>1,275,820</u></u>	<u><u>1,294,752</u></u>

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2022

9 Property, plant and equipment

	2022	2021
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At fair value	<u>1,700,000</u>	1,160,000
Buildings		
At cost	750,000	720,000
Accumulated depreciation	<u>(71,966)</u>	(50,363)
Total buildings	<u>678,034</u>	669,637
PLANT AND EQUIPMENT		
Capital works in progress		
Assets in construction	35,508	-
Plant and equipment		
At cost	2,822,742	2,683,891
Accumulated depreciation	<u>(2,247,035)</u>	(1,949,747)
Total plant and equipment	<u>575,707</u>	734,144
Motor vehicles		
At cost	99,180	99,181
Accumulated depreciation	<u>(74,915)</u>	(62,904)
Total motor vehicles	<u>24,265</u>	36,277
Leasehold Improvements		
At cost	718,776	645,746
Accumulated amortisation	<u>(198,986)</u>	(116,288)
Total leasehold improvements	<u>519,790</u>	529,458
RIGHT-OF-USE		
Right-of-Use - Buildings		
At cost	2,558,376	2,530,792
Accumulated depreciation	<u>(837,727)</u>	(467,907)
Make good provision	<u>(116,000)</u>	(95,000)
Total Right-of-Use - Buildings	<u>1,604,649</u>	1,967,885
Total property, plant and equipment	<u>5,137,953</u>	<u>5,097,401</u>

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Property, plant and equipment

(a) Land and buildings - Valuation

The valuation of land and buildings at 10 Arrow Street, Dalyellup WA 6230 and 22 Linden Gardens, Floreat WA 6014 has been based upon independent valuations performed by Valuations WA on 23 August 2022 and 26 August 2022 respectively. The increase in valuation is reflected in the Asset Revaluation Reserve.

(b) Movements in Carrying Amounts

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 \$	Assets in construction \$	Plant and Equipment \$
Year ended 30 June 2022				
Opening	1,160,000	669,637	-	734,144
Additions	-	-	35,508	138,851
Depreciation expense	-	(21,603)	-	(297,288)
Revaluation increase recognised in equity	540,000	30,000	-	-
Make good provision	-	-	-	-
Balance at the end of the year	1,700,000	678,034	35,508	575,707
	Motor Vehicles \$	Leasehold Improvements \$	Right-of-Use - Buildings \$	Total \$
Year ended 30 June 2022				
Opening	36,277	529,458	1,967,885	5,097,401
Additions	-	73,030	160,439	407,828
Depreciation expense	(12,012)	(82,698)	(502,675)	(916,276)
Revaluation increase recognised in equity	-	-	-	570,000
Make good provision	-	-	(21,000)	(21,000)
Balance at the end of the year	24,265	519,790	1,604,649	5,137,953

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2022

10 Intangible Assets

	2022	2021
	\$	\$
DigiHub development		
Cost	223,590	192,279
Accumulated amortisation and impairment	(138,837)	(74,706)
Total Intangible assets	84,753	117,573

(a) Movements in carrying amounts of intangible assets

	DigiHub development	Total
	\$	\$
Year ended 30 June 2022		
Balance at the beginning of the year	117,573	117,573
Additions	31,311	31,311
Amortisation	(64,131)	(64,131)
Closing value at 30 June 2022	84,753	84,753

11 Leases

CURRENT

Lease liabilities	469,531	379,233
	469,531	379,233

NON-CURRENT

Lease liabilities	1,292,932	1,670,075
	1,292,932	1,670,075

12 Trade and Other Payables

CURRENT

Trade payables	216,508	219,662
Other payables	1,359,416	1,163,949
Revenue received in advance	473,906	627,763
NDIS-related balances	527,718	316,654
	2,577,548	2,328,028

Spinal Cord Injuries Australia

Notes to the Financial Statements For the Year Ended 30 June 2022

13 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Employee benefits	1,454,464	1,265,528
	<u>1,454,464</u>	<u>1,265,528</u>
Non-current liabilities		
Employee benefits	150,189	119,211
	<u>150,189</u>	<u>119,211</u>

14 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:

Financial assets

Held at amortised cost

Cash and cash equivalents	2,676,861	4,148,673
Trade and other receivables	1,275,820	1,294,752

Total financial assets

	<u>3,952,681</u>	<u>5,443,425</u>
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Financial liabilities

Financial liabilities at amortised cost

	2,577,548	2,328,028
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Financial liabilities at fair value

Total financial liabilities

	<u>2,577,548</u>	<u>2,328,028</u>
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15 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Organisation is \$ 1,969,314 (2021: \$ 1,741,282).

16 Events after the end of the Reporting Period

The financial report was authorised for issue on 28 October 2022 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.

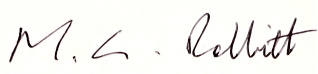
Spinal Cord Injuries Australia

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 

Responsible person 

Dated 28th October 2022

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 2022, 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 2022 and of its financial performance for the year 30 June 2022 then ended; and
- b) complying with Australian Accounting Standards – Simplified 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 2022, 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)

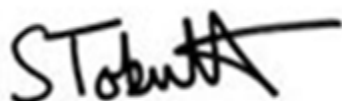
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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.



PKF



SCOTT TOBUTT
PARTNER

28 OCTOBER 2022
SYDNEY, NSW