

Spinal Cord Injuries Australia

Financial Statements

For the Year Ended 30 June 2023

Spinal Cord Injuries Australia

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For the Year Ended 30 June 2023

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Spinal Cord Injuries Australia

Directors' Report

30 June 2023

The directors present their report on Spinal Cord Injuries Australia for the financial year ended 30 June 2023.

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
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		2021
Shirley Carpenter	Company Secretary		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.

Overview of operations

The 2022-23 financial year was expected to be a year focused on financial recovery and sustainability, after the investment in systems and services were undertaken in the previous year that were to result in efficiency initiatives. A smaller financial loss was budgeted for compared to the previous year based on this, however, the financial loss was larger than planned due to unforeseen circumstances occurring during the year. Even though it was higher than planned operating loss was 41% less than the previous year.

Covid

In the initial stages of the financial year, we were still feeling a slight impact because of Covid.

We have now moved on from this. Over the three years of the pandemic there has been a substantial effect on the business which we were able to work through successfully to the other side of the pandemic.

Spinal Cord Injuries Australia

Directors' Report

30 June 2023

General information

Overview of operations

Cost of Living

The Cost-of-Living increase has had an impact on our operations. Overhead Expenditure has increased more than initially budgeted for. The CPI during the financial year got up to as high as 7.3%.

Offsetting the increase in expenditure we were expecting an increase in NDIS funding. This did not occur. There has been no increase for over 4 years with Allied Health and Therapy, Plan Management and Support Coordination.

Wage Increases

During the year, the Fair Work Commission handed down a Wage Increase of 5.75%. This was higher than anticipated. Most staff received the increase as it was based on the Modern Award.

Investment in Systems

The implementation of the new system has taken longer than anticipated. This has delayed the reduction in administrative costs that would have occurred from streamlined processes and automation.

In 2023-24 the efficiencies will start, and we will begin to reap the rewards from automating processes.

Services growth and sustainability

Peer Support saw an increase in funding from the previous financial year. The increase related to receiving an additional Grant from Newcastle Permanent Charitable Foundation – PFS Hunter Program.

Advocacy Funding reduced from the previous financial year. This was because we were not successful in continuing NSW Government Individual Advocacy.

We also received two new grants. They were Disability Representative Advocacy Funding and Special Project Funding for an Emergency Preparedness Pilot through the NSW Government.

Community Services funding was steady between last financial year and this financial year.

The new Employability Social Enterprise received additional funding from ILC Building Employer Confidence and Inclusion Grant.

The overall result from Employability has not been realised for this financial year. A Marketing plan is now underway to assist in meeting the targets set this year.

O &ES did not generate the income that was anticipated this financial year. A restructure commenced in 2022-23 that will be finalised in 2023-24.

The Wheelchair Accessible Taxi booking service has outperformed the Budget. We reviewed and implemented a new structure to run the service more effectively.

Plan Management results were not met. This was because of less clients than anticipated. We anticipate for next financial year that additional clients will come on board.

Support Coordination was below target. We are implementing initiatives to improve the results for next year.

NeuroMoves improved from 2021-22 to 2022-23, however it was impacted by Covid during the first half of the year.

Spinal Cord Injuries Australia

Directors' Report

30 June 2023

General information

Overview of operations

Investment and efficiency

As mentioned last year, projects were undertaken to have the objectives of increasing efficiency, reducing costs, and streamlining processes. The objectives were to be met by implementing a fully integrated Microsoft systems solutions resulting in automated information flows from services through to administration.

The implementation was to be completed by the first half of this financial year. This has been delayed because of unforeseen circumstances. It is anticipated to be completed by the second half of 2023-24.

Based on the delay the anticipated costs savings from the automation that were to occur in 2022-23 will now begin to occur in 2023-24.

Focus for the future.

The 2023-2024 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 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.

New Services are being invested in new Regions along the East Coast of Australia, including Regional NSW, Queensland, and Victoria.

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
Michael Gerard Rabbitt*	8	8
Chris Nicholls*	8	8
David Ham*	8	5
George Panos	8	8
Glen Davis	8	7
Leesa Addison	8	8
Michelina Pelosi*	8	7
Paul Crake*	8	5
Stewart Calderwood	8	7
Shane Clifton*	8	8

Spinal Cord Injuries Australia

Directors' Report

30 June 2023

General information

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 2023 the number of members was 3,124 (2022: 3,028).

At 30 June 2023 the collective liability of members was \$62,480 (2022: \$60,560).

Information on directors

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

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.
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.

Spinal Cord Injuries Australia

Directors' Report

30 June 2023

General information

Information on directors

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.

Leesa Addison

Experience

Director

Leesa is Chief Executive Officer of a technology consulting firm delivering independent strategic technology consulting services accross Asia-Pacific. Leesa has specialised in enterprise business transformation and digital product development for over 25 years working in technology and innovation as a consultant, Chief Information Officer and senior executive.

Leesa has been CIO of a membership and disability organisations, and holds broad experience working accross all types of business structures and sizes identifying and developing new products and solutions whilst building technology environments focussed on transforming business models, operating environments and managing enterprise risks.

Leesa is also a Non Executive Director for organisations in the mental health and education sectors with a strong interest in advocacy, systemic reform and representing lived experience in person-centred care.

Michelina Pelosi*

Experience

Director

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*

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.

Spinal Cord Injuries Australia

Directors' Report

30 June 2023

General information

Information on directors

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

After serving as, Assistant Director, Policy, Royal Commission into Violence, Abuse, Neglect and Exploitation against People with Disability, Shane has recently started a new position as Associate Professor in the School of Health Sciences at the University of Sydney. Shane is the co-lead, developer and researcher, Hammondcare, for Engage, Exploring meaning and purpose after spinal cord injury. 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

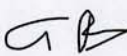
Directors' Report

30 June 2023

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 2023 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:
George Panos


Director:
Stewart Calderwood

Dated: 26 October 2023



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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 2023, 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.

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SCOTT TOBUTT
PARTNER

26 OCTOBER 2023
SYDNEY, NSW

Spinal Cord Injuries Australia

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Services income		12,775,610	11,680,137
Grants		2,517,693	2,496,873
Donations		553,080	451,161
Resident contributions		96,863	100,546
Interest income		29,849	34,401
Other revenue		265,367	131,416
	4	<u>16,238,462</u>	<u>14,894,534</u>
Other income			
Gain on sale of assets		108,119	-
Service NSW grants		-	992,027
	4	<u>108,119</u>	<u>992,027</u>
Operating costs			
Community development		(9,297,305)	(8,702,214)
Community services		(4,792,108)	(4,615,038)
Administration		(2,711,984)	(3,580,017)
Fundraising		(494,250)	(359,658)
Marketing		(203,494)	(424,525)
Development		(154,910)	(440,710)
Total operating costs	5	<u>(17,654,051)</u>	<u>(18,122,162)</u>
Loss for the year		<u>(1,307,470)</u>	<u>(2,235,601)</u>
Other comprehensive income			
Surplus on revaluation of land and buildings		-	570,000
Total comprehensive income		<u>(1,307,470)</u>	<u>(1,665,601)</u>

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,407,476	2,483,255
Trade and other receivables	7	1,723,859	1,275,820
TOTAL CURRENT ASSETS		5,131,335	3,759,075
NON-CURRENT ASSETS			
Other financial assets	8	193,606	193,606
Property, plant and equipment	10	2,354,291	3,497,796
Right-of-use assets	11	1,312,544	1,720,649
Intangible assets	9	488,959	120,261
TOTAL NON-CURRENT ASSETS		4,349,400	5,532,312
TOTAL ASSETS		9,480,735	9,291,387
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	4,168,197	2,577,548
Lease liabilities	11	423,788	469,531
Other provisions	14	233,000	-
Employee benefits	13	1,465,981	1,454,464
TOTAL CURRENT LIABILITIES		6,290,966	4,501,543
NON-CURRENT LIABILITIES			
Lease liabilities	11	969,500	1,292,932
Employee benefits	13	186,016	150,189
Other provisions	14	111,000	116,000
TOTAL NON-CURRENT LIABILITIES		1,266,516	1,559,121
TOTAL LIABILITIES		7,557,482	6,060,664
NET ASSETS		1,923,253	3,230,723
EQUITY			
Reserves		320,000	570,000
Retained surpluses		1,603,253	2,660,723
TOTAL EQUITY		1,923,253	3,230,723

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Changes in Equity

For the Year Ended 30 June 2023

	Retained surpluses	Asset revaluation reserve	Total
	\$	\$	\$
Balance at 1 July 2022	2,660,723	570,000	3,230,723
Loss attributable to members of the entity	(1,307,470)	-	(1,307,470)
Transfer on sale of property	250,000	(250,000)	-
Balance at 30 June 2023	1,603,253	320,000	1,923,253

	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

The accompanying notes form part of these financial statements.

Spinal Cord Injuries Australia

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		13,742,711	13,043,834
Payments to suppliers and employees		(16,288,505)	(17,608,766)
Donations received		553,080	451,161
Interest received		29,849	34,401
Receipt from grants		3,038,156	3,312,361
Net cash provided by/(used in) operating activities		<u>1,075,291</u>	<u>(767,009)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment		1,070,000	-
Purchase of plant and equipment		(195,487)	(247,389)
Purchase of intangible assets		(432,577)	(31,311)
Net cash provided by/(used in) investing activities		<u>441,936</u>	<u>(278,700)</u>
Payment of lease liabilities		<u>(593,006)</u>	<u>(426,284)</u>
Net cash used in financing activities		<u>(593,006)</u>	<u>(426,284)</u>
Net increase/(decrease) in cash and cash equivalents held		924,221	(1,471,993)
Cash and cash equivalents at beginning of year		<u>2,483,255</u>	<u>3,955,248</u>
Cash and cash equivalents at end of financial year	6	<u><u>3,407,476</u></u>	<u><u>2,483,255</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

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 they have been reclassified to be consistent with the current year.

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 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 contract 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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.

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*.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(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.

(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) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) 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

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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) 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.

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.

(h) 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.

(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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) **Leases**

recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(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.

3 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 - revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties.

Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and other income

	2023	2022
	\$	\$
Revenue		
Community development fee income	10,278,910	9,121,046
Community services fee income	2,496,700	2,559,091
Donations	553,080	451,161
Interest income	29,849	34,401
Resident contributions	96,863	100,546
	<u>13,455,402</u>	<u>12,266,245</u>
Grant revenue		
Government grants - Commonwealth	2,009,409	1,722,395
Government grants - State	508,284	774,478
	<u>2,517,693</u>	<u>2,496,873</u>
Other revenue		
Sundry revenue	265,367	131,416
	<u>16,238,462</u>	<u>14,894,534</u>
Other income		
Gain on sale of assets	108,119	-
Services NSW - JobSaver	-	992,027
	<u>108,119</u>	<u>992,027</u>

5 Operating costs

Depreciation and amortisation		
Buildings	21,603	21,603
Leasehold improvements	84,291	82,698
Plant and equipment	222,295	297,288
Motor vehicles	10,466	12,012
Intangible assets	63,879	64,131
Right-of-use assets	626,936	502,675
	<u>1,029,470</u>	<u>980,407</u>
Other operating costs		
Employee expenses	13,745,601	13,446,789
Rent & site expenses	796,209	782,912
IT expenses	725,787	961,213
Governance expenses	223,189	353,376
Other operating expenses	1,133,795	1,597,465
	<u>16,624,581</u>	<u>17,141,755</u>
	<u>17,654,051</u>	<u>18,122,162</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	81	472
Bank balances	2,907,395	1,476,533
Short-term deposits	500,000	1,006,250
	<u>3,407,476</u>	<u>2,483,255</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	686,858	402,050
Less: Provision for expected credit losses	(25,000)	(73,000)
	<u>661,858</u>	<u>329,050</u>
Prepayments	48,807	62,638
Accrued income	1,013,194	884,132
	<u>1,723,859</u>	<u>1,275,820</u>

8 Other Financial Assets

NON-CURRENT		
Security deposits	193,606	193,606
	<u>193,606</u>	<u>193,606</u>

9 Intangible Assets

Development costs		
Cost	468,085	35,508
	<u>468,085</u>	<u>35,508</u>
DigiHub development		
Cost	223,590	223,590
Accumulated amortisation	(202,716)	(138,837)
	<u>20,874</u>	<u>84,753</u>
	<u>488,959</u>	<u>120,261</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Intangible Assets

(a) Movements in carrying amounts of intangible assets

	Development costs \$	DigiHub development \$	Total \$
Year ended 30 June 2023			
Balance at beginning of year	35,508	84,753	120,261
Additions	432,577	-	432,577
Amortisation	-	(63,879)	(63,879)
Balance at end of year	468,085	20,874	488,959

The development costs relate to CRM software development costs. The project is anticipated to be completed during 2023-24, at which point the amortisation will begin.

10 Property, plant and equipment

	2023 \$	2022 \$
Freehold land At fair value	950,000	1,700,000
Buildings At cost	475,000	750,000
Accumulated depreciation	(55,107)	(71,966)
	419,893	678,034
Plant and equipment At cost	3,013,344	2,822,742
Accumulated depreciation	(2,468,375)	(2,247,035)
	544,969	575,707
Motor vehicles At cost	54,180	99,180
Accumulated depreciation	(54,180)	(74,915)
	-	24,265
Leasehold Improvements At cost	722,706	718,776
Accumulated amortisation	(283,277)	(198,986)
	439,429	519,790
	2,354,291	3,497,796

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Property, plant and equipment

(a) 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:

	Freehold Land	Buildings	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023						
Balance at beginning of year	1,700,000	678,034	575,707	24,265	519,790	3,497,796
Additions	-	-	191,557	-	3,930	195,487
Disposals	(750,000)	(236,538)	-	(13,799)	-	(1,000,337)
Depreciation expense	-	(21,603)	(222,295)	(10,466)	(84,291)	(338,655)
Balance at end of year	950,000	419,893	544,969	-	439,429	2,354,291

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. A share of fifty percent of the property held in Floreat WA was sold in June 2023.

11 Leases

Right-of-use assets

	Buildings \$
Year ended 30 June 2023	
Balance at beginning of year	1,720,649
Additions to right-of-use assets	218,831
Amortisation	(626,936)
Balance at end of year	1,312,544

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2023					
Lease liabilities	491,604	538,751	852,563	1,882,918	1,393,288
2022					
Lease liabilities	649,315	973,201	909,718	2,532,234	1,762,463

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	76,052	216,508
Accrued expense	1,070,175	1,077,142
Revenue received in advance	990,202	473,906
NDIS-related balances	1,723,382	527,718
Other payables	308,386	282,274
	<u>4,168,197</u>	<u>2,577,548</u>

13 Employee Benefits

CURRENT		
Long service leave	468,995	436,889
Annual leave	996,986	1,017,575
	<u>1,465,981</u>	<u>1,454,464</u>
NON-CURRENT		
Long service leave	186,016	150,189

14 Other provisions

CURRENT		
NDIS related provision	233,000	-
NON-CURRENT		
Make good provision	111,000	116,000

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.

Financial assets

Held at amortised cost		
Cash and cash equivalents	3,407,476	2,483,255
Trade and other receivables	1,723,859	1,275,820
Other financial assets	193,606	193,606
	<u>5,324,941</u>	<u>3,952,681</u>

Financial liabilities

Held at amortised cost		
Trade and other payables	4,168,197	2,577,548
Lease liability	1,393,288	1,762,463
	<u>5,561,485</u>	<u>4,340,011</u>

Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Organisation is \$1,715,449 (2022: \$1,969,314).

17 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	29,000	28,900

18 Events after the end of the Reporting Period

The financial report was authorised for issue on 26 October 2023 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.

19 Statutory Information

The registered office and principal place of business of the company is:

Spinal Cord Injuries Australia
1 Jennifer Street
Little Bay, NSW 2036

Spinal Cord Injuries Australia

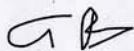
Responsible Persons' Declaration

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



George Panos

Responsible person



Stewart Calderwood

Dated: 26 October 2023

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 2023, 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 2023 and of its financial performance for the year 30 June 2023 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 2023, 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

26 OCTOBER 2023
SYDNEY, NSW