



## Financial Report

Paraplegic & Quadriplegic Association of NSW

ABN 42 000 355 948

30 June 2018

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# Directors' Report

The Directors present their report on the Paraplegic & Quadriplegic Association of NSW for the financial year ended 30 June 2018.

## DIRECTORS

The names of Directors in office at anytime during or since the end of the year are:

- Anders Halvorsen** – **Director, Chairman (Commenced 18/12/2004)**  
Qualifications – MBA, JP, Member Australian Institute of Company Directors.  
Special Responsibilities – Member of Remuneration Committee; Member of Finance and Risk Committee;  
Experience – Business management consultant with a number of years experience in both for profit and not for profit organisations. Experienced Director of both for profit and not for profit organisations.
- Steven Osborne** – **Director, Deputy Chairman (Commenced 18/08/2011)**  
Qualifications – Cert Risk Management, Cert Superannuation Management, F Fin – Fellow, Financial Services Institute of Australasia  
MIACD - Member, Australian Institute of Company Directors;  
Special Responsibilities – Chairman of Finance and Risk Committee;  
Experience – Former Managing Director, Certegy Ezi-Pay Pty Ltd  
Former Managing Director, JLT Australia Pty Ltd  
Former SVP / National Surety Leader Marsh Pty Ltd
- David Clarke** – **Director (Commenced 24/04/2015)**  
Qualifications – Master of Business Administration, Fellow Institute of Company Directors, Fellow Australian Institute of Management.  
Special Responsibilities – Member of Finance and Risk Committee.  
Experience – Experienced business manager including past Managing Director of Paul Hartmann Pty Ltd and marketing roles in both local and overseas companies. Experienced Director of commercial organisations.
- Brian Cohen** – **Director (Commenced 22/04/2013)**  
Qualifications – Bachelor of Science (Hons), PhD.  
Experience – Experienced IT professional. Currently Chief Technology Officer, Invigor Group Limited. Experienced Director for both for profit and not for profit organisations.
- Peter Debnam** – **Director (Commenced 13/02/2013)**  
Qualifications – Graduate Royal Australian Naval College, MGSM MBA.  
Special Responsibilities – Chairman of Remuneration Committee.  
Experience – Significant experience in Government, commercial and not for profit sector in a range of roles. Experienced Director of both for profit and not for profit organisations.

## Directors' Report

<b>Shannon Finch</b>	– <b>Director (Commenced 18/04/2018)</b>
Qualifications	– BA, LLB, Australian National University. Legal Practitioner Diploma, The College of Law (Sydney)
Experience	– Partner, King & Wood Mallesons; National Chairman, Corporations Committee of Business Law Section, Law Council of Australia; Deputy President Muscular Dystrophy NSW; Guest Lecturer – University of Sydney; University of NSW; Member of Law Council of Australia - Corporations Committee; Member of Australian Institute of Company Directors; Member of FINSIA; Member of Women in Banking & Finance.
<b>Philip McCrea</b>	– <b>Director (Commenced 13/02/2013)</b>
Qualifications	– Bachelor of Engineering, PhD.
Special Responsibilities	– Chairman of Governance Committee.
Experience	– Experienced IT professional. Currently IT Management Consultant, Philip McCrea & Associates. Experienced Director of not for profit organisations.
<b>John Renshaw</b>	– <b>Director, (Commenced 29/01/2009)</b>
Qualifications	– Bachelor of Commerce (Accounting) UNSW; Bachelor of Laws UNSW; Member Australian Institute of Company Directors; Member Australian Insurance Law Association.
Experience	– Lawyer for 20+ years. Currently Principal McInnes Wilson Lawyers NSW. Director of both profit and not for profit organisations.
<b>Mark Tonga</b>	– <b>Director (Commenced 29/11/2013 and resigned 26/02/2018)</b>
Qualifications	– Bachelor of Business (Accounting/Small Business); Graduate Australian Institute of Company Directors.
Special Responsibilities	– Member of Finance and Risk Committee. Member of Governance Committee.
Experience	– Experienced Director of not for profit organisations.

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

### COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

<b>Martin Gardiner</b>	– <b>Secretary (Commenced 30/03/2006)</b>
Qualifications	– CPA, B. Bus (Major Accounting, Sub-major Finance).
Experience	– Experienced Senior Manager in both for profit and not for profit sectors. Experienced Director of not for profit organisations.

# Directors' Report

## DIRECTORS MEETINGS

Directors	Board Meetings		Finance and Risk		Remuneration	
	A	E	A	E	A	E
Anders Halvorsen	4	5	5	6	1	1
Steven Osborne	4	5	5	6	1	1
David Clarke	5	5	5	6	-	-
Brian Cohen	4	5	-	-	-	-
Peter Debnam	3	5	-	-	1	1
Shannon Finch	2	2	-	-	-	-
Philip McCrea	5	5	1	3	-	-
John Renshaw	3	5	-	-	-	-
Mark Tonga	1	3	2	4	-	-

A = Number of meetings attended

E = Number of meetings held during the time the director held office or was a member of the committee during the year

## COMPANY LIMITED BY GUARANTEE

The Company is incorporated and domiciled in New South Wales under the *Corporations Act 2001*, as a company limited by guarantee. The amount of the guarantee is limited by the Constitution to an amount not exceeding \$20 per member. This guarantee is not capable of being called up except for the purpose of the winding up of the company. As at 30 June 2018 the number of members was 1,253 (2017: 1,428)

## PRINCIPAL ACTIVITIES and OBJECTIVES

The Paraplegic and Quadriplegic Association of NSW's (ParaQuad) statement of purpose is to support people of all ages with spinal or other health conditions to be independent. During the financial year, ParaQuad continued to provide a range of community services primarily to people with a spinal cord injury living within NSW and the ACT. Services provided through ParaQuad's social enterprise, BrightSky Australia and advocacy and information services were provided to a broader population across Australia.

ParaQuad's strategic plan includes the following short and long term key objectives:

- To be a trusted leader in the provision of services, education, advocacy and support information for people with a complex physical disability.
- Position ParaQuad to meet changing community needs.
- To develop an integrated, sustainable organisation/business.
- Develop and implement all funding and accreditation requirements around CALD and person-centredness.

To achieve each objective ParaQuad will pursue a range of strategies. These strategies will develop and evolve over the life of the Strategic Plan as circumstances change. The Board is of the view that achievement of these objectives will better enable the organisation to support people of all ages with spinal or other health conditions to be independent. On a regular basis throughout the year the Board reviews progress against the strategic plan objectives.

## Directors' Report

No fundamental change in the nature of ParaQuad's activities occurred during the course of the year.

### OPERATING RESULTS

The net operating profit after income tax of the company for the financial year was \$1,621,455 (2017: profit \$604,746).

### DIVIDENDS PAID OR RECOMMENDED

The company is limited by guarantee and therefore not permitted to pay dividends under its Constitution.

### REVIEW OF OPERATIONS

The Board is pleased to report to members that a surplus for 2017/18 totalling \$1,621,455 has been achieved. The organisation continues to benefit from strong performances from our social enterprise, BrightSky Australia, continuing improvements in the personal care program and additional funded services from the introduction of the NDIS. Solid investment returns and bequests have also contributed favourably. The most significant impact on this year's result has been a capital gain on the sale of the office and warehouse property in Wickham which realised a net capital gain of about \$800,000. Staff vacancies throughout the year have also favourably impacted the financial result.

We continue to use the surpluses generated to deliver critical services currently not fully funded. We regularly review our capacity to add necessary resources to enhance our services within the funding available.

The Board is grateful for the continuing support we receive from sponsors, donors and funding bodies. The continuing success of the organisation doesn't come without hard work from management and staff and accordingly the Board recognises and thanks them for their outstanding work in delivering another strong financial result this year and for the high quality services delivered to the spinal cord injured community and beyond.

We expect the year ahead to produce a financial result of much lower proportions due to increased staff resources with no large one off capital gain expected. Operating in the community sector will continue to bring its challenges but the organisation is in a very sound financial position and is able to meet these challenges head on and continue to provide the essential services we provide. #

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the financial year.

### AFTER BALANCE DATE EVENTS

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### FUTURE DEVELOPMENTS

The company intends to continue to carry on operations in accordance to its constitution with no significant deviations planned.

## Directors' Report

### ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### REMUNERATION REPORT

No director has been paid any form of remuneration during the year ended 30 June 2018.

### OPTIONS

As the company is limited by guarantee, no options over issued shares or interests in the company were granted during or since the end of financial year and there were no options outstanding at the time of this report.

### INDEMNITIES OF OFFICERS

The company has not, during or since the financial year, in respect of any person who is or has been an officer of the company or a related entity indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

During the financial year, the company paid a premium of \$12,000 excluding GST to insure all of the Directors and Officers of the company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the directors in their capacity as directors of the company. No other premiums have been paid.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 36.

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



Anders Halvorsen  
Director

Dated this 19th day of September 2018

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

	Notes	2018	2017
		\$	\$
Revenue	2b	55,831,352	49,984,195
Cost of sales		(35,771,463)	(31,041,501)
Employee related expenses		(14,913,655)	(14,829,393)
Operating and administration expenses		(3,110,329)	(3,096,744)
Trade receivables expense	4	(31,943)	(269)
Depreciation expenses		(242,344)	(238,747)
Restructuring costs		(67,879)	(105,933)
Rental expense		(22,680)	(26,692)
Audit fees		(49,604)	(40,170)
Profit before income tax		1,621,455	604,746
Income tax expense	1a	-	-
<b>Profit after income tax</b>		<b>1,621,455</b>	<b>604,746</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net gain / (loss) on revaluation of financial assets		203,427	146,427
Other comprehensive income for the year		203,427	146,427
<b>Total comprehensive income for the year</b>		<b>1,824,882</b>	<b>751,173</b>

The financial statements should be read in conjunction with the accompanying notes.

## Statement of Financial Position

### As at 30 June 2018

	Notes	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	3	8,708,045	9,346,136
Trade and other receivables	4	3,099,054	2,319,693
Inventories	5	2,966,703	2,420,571
Other current assets	6	234,103	201,137
<b>Total current assets</b>		<b>15,007,905</b>	<b>14,287,537</b>
Non-current assets			
Financial assets	7	4,428,218	4,008,923
Property, plant and equipment	8	5,769,957	4,994,738
<b>Total non-current assets</b>		<b>10,198,175</b>	<b>9,003,661</b>
<b>Total assets</b>		<b>25,206,080</b>	<b>23,291,198</b>
Current liabilities			
Trade and other payables	9	8,111,476	8,025,695
Short-term provisions	11	870,130	841,413
<b>Total current liabilities</b>		<b>8,981,606</b>	<b>8,867,108</b>
Non-current liabilities			
Long- term provisions	11	122,963	147,461
<b>Total non-current liabilities</b>		<b>122,963</b>	<b>147,461</b>
<b>Total liabilities</b>		<b>9,104,569</b>	<b>9,014,569</b>
<b>Net assets</b>		<b>16,101,511</b>	<b>14,276,629</b>
Equity			
Reserves	17	743,989	540,562
Retained earnings		15,357,522	13,736,067
<b>Total equity</b>		<b>16,101,511</b>	<b>14,276,629</b>

The financial statements should be read in conjunction with the accompanying notes.



## Statement of Changes in Equity For the Year Ended 30 June 2018

	Notes	Financial Asset Reserve	Retained Earnings	Total
		\$	\$	\$
<b>Balance at 30 June 2016</b>		<b>394,135</b>	<b>13,131,321</b>	<b>13,525,456</b>
Total other comprehensive income for the period		146,427	-	146,427
Profit for the period		-	604,746	604,746
<b>Balance at 30 June 2017</b>		<b>540,562</b>	<b>13,736,067</b>	<b>14,276,629</b>
Total other comprehensive income for the period		203,427	-	203,427
Profit for the period		-	1,621,455	1,621,455
<b>Balance at 30 June 2018</b>	<b>17</b>	<b>743,989</b>	<b>15,357,522</b>	<b>16,101,511</b>

The financial statements should be read in conjunction with the accompanying notes.

## Statement of Cash Flows For the Year Ended 30 June 2018

	Notes	2018	2017
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		56,881,884	47,008,579
Receipts from government departments		1,462,161	7,132,565
Payments to suppliers and employees		(59,286,669)	(51,099,380)
Donations received		284,327	409,069
Distributions received from managed funds		247,285	263,351
Interest received		173,987	162,090
<b>Net cash provided (used in) / by activities</b>		<b>(237,025)</b>	<b>3,876,274</b>
<b>Cash Flows from Investing Activities</b>			
Payment for property, plant and equipment		(1,377,433)	(132,701)
Proceeds from sale of property, plant and equipment		1,167,240	82,666
Proceeds from sale of investments		571,015	1,514,686
Payment for purchase of investments		(761,888)	(1,734,656)
<b>Net cash (used in) investing activities</b>		<b>(401,066)</b>	<b>(270,005)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(638,091)</b>	<b>3,606,269</b>
Cash and cash equivalents at the beginning of the Financial Year		9,346,136	5,739,867
<b>Cash and cash equivalents at the end of the Financial Year</b>	<b>3</b>	<b>8,708,045</b>	<b>9,346,136</b>

The financial statements should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

### Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991*.

The Paraplegic & Quadriplegic Association of NSW (“ParaQuad”) is a company limited by guarantee, incorporated and domiciled in Australia. ParaQuad is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of Preparation**

##### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report has been prepared on a going concern basis. These financial statements are presented in Australian dollars which is ParaQuad’s functional currency.

#### **Accounting Policies**

##### **a. Income Tax**

Under Section 50-5 of the *Income Tax Assessment Act 1997*, the income of ParaQuad is exempt from income tax.

##### **b. Inventories**

Inventories are measured at the lower of cost and net realisable value using the average purchase price basis.

##### **c. Property, Plant and Equipment**

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

Note 1: Statement of significant accounting policies (continued)

### Property

Freehold land and buildings are carried at the lower of cost less accumulated depreciation or recoverable amount. The assessment of recoverable amount conducted annually by Directors considers valuations and market appraisals conducted by independent valuers/agents and/or an assessment of current equivalent property selling prices.

ParaQuad is the Manager of the Trustee of the Reserve Trust responsible for the parcel of Crown Land located at Lidcombe on which the current Accommodation program known as Ferguson Lodge is operated. A Reserve Trust is a legal body constituted under the *Crown Lands Act, 1989*.

Under the requirements of the Funding Agreement ParaQuad is restricted in various ways in dealing with this property. The key considerations include –

- ParaQuad has no legal or equitable interest in the Premises situated on the parcel of Crown Land and that the State of New South Wales is to remain the registered proprietor of the Premises;
- The Premises forms part of the Reserve;
- The Reserve Trust has been constituted Trustee of the Reserve; and
- ParaQuad has been appointed to manage the affairs of the Reserve Trust.

As a result of these considerations the new building is not reportable in the financial statements of ParaQuad but the Reserve Trust. See Note 21 for an account of the Reserve Trust.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued at the fair value of the asset at the date it is acquired.

### Plant and Equipment

Plant and equipment are measured on a cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

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

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 1: Statement of significant accounting policies (continued)

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	10 - 33%
Motor vehicles	18.0 – 30.5%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at balance date. The higher depreciation rates applied to motor vehicles relate to high usage vehicles which lose value at a quicker rate than other vehicles.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on settlement of the sale or disposal. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### d. Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

Note 1: Statement of significant accounting policies (continued)

### e. Financial Instruments

#### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

**Amortised cost** is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The **effective interest method** is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

#### Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

Note 1: Statement of significant accounting policies (continued)

### **e. Financial Instruments (continued)**

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

#### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

#### **Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### **Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

### Note 1: Statement of significant accounting policies (continued)

#### **f. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, with value in use being determined as the written-down current cost (depreciated replacement cost) of the asset, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

#### **g. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

#### **h. Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimates of the amounts required to settle the obligation at reporting date.

#### **i. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.



# Notes to the Financial Statements

## For the Year Ended 30 June 2018

### Note 1: Statement of significant accounting policies (continued)

#### **j. Revenue**

Revenue from the sale of goods is recognised upon the shipment of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the company is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the company 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.

Where ParaQuad receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value, these assets are recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of income recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Donations and bequests are generally recognised as revenue when received. From time to time ParaQuad receives donations and bequests that have been donated or given for a specific purpose. Where ParaQuad determines that recognition of the specific donation or bequest as revenue in the year of receipt will misrepresent the true financial performance of the organisation in that year ParaQuad may delay recognition until the purpose of the donation is able to be fulfilled.

All revenue is stated net of the amount of goods and services tax (GST). Dividend income is recognised when received. Managed Fund income is recognised on an accrual basis.

#### **k. Finance Costs**

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in income in the period in which they are incurred.

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

Note 1: Statement of significant accounting policies (continued)

### **l. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

### **m. Comparative Figures**

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

### **n. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

#### *Key Estimates – Impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

#### *Key Judgements – Provision for Impairment of Receivables*

At each reporting date the company determines the provision for impairment of receivables based on a specific review of the receivables outstanding. An impairment provision is established for an individual receivable balance if past payment history has indicated that payment may not be made within commercially reasonable payment terms. In these cases the individual account is blocked from further transactions until payment of past transactions is made or the account is written off as a bad debt if unrecovered. Consideration will also be given to providing for outstanding balances on commercial accounts where balances have been outstanding for greater than sixty days from date of invoice and payment is not certain. At reporting date if it is assessed that a previously recognised provision for impairment should be reversed this amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### *Key Judgements – Provision for Impaired Inventory*

The company determines the provision for impaired inventory based on the difference between the number of units sold in the past 12 months and the number of units on hand as at 30 June 2018 for each item of inventory. Where the number of units sold is less than the units on hand the difference between the number of units sold and on hand is treated as impaired as the likelihood of the items being sold within the next 12 months is low.

## Notes to the Financial Statements For the Year Ended 30 June 2018

Note 1: Statement of significant accounting policies (continued)

**n. Critical Accounting Estimates and Judgements (continued)**

*Key Judgements – Available-for-sale investments*

The company maintains a portfolio of securities with a market value of \$4,428,218 at reporting date. As at reporting date the net increase in value of all securities from the original cost is \$743,989. The increase in value has been recognised in equity and is subject to adjustment at reporting date. Should security values decline to a level which is in excess of 50% below cost or should prices remain at levels below 80% of cost for a period in excess of 24 months, the Directors have determined that such investments will be considered for impairment after assessing the current market situation and likelihood of recovery in the near future.

*Key Judgements – Recoverable Amount of Land and Buildings*

The assessment of recoverable amount considers the comparative size of the individual property, current market leasing rates of properties of comparable size and location, current commercial capitalisation rates of 7% and special features of owned properties compared to the market. The assessment also considers the current depth of the selling market at the time of assessment in arriving at an estimated recoverable amount. In times of general market financial stress the Directors recognise that market values can be volatile and have adopted a conservative approach in assessing the recoverable value of property.

**o. Economic Dependence**

A significant amount of revenue is received from the Department of Veterans Affairs, National Disability Insurance Agency, Department of Health and from the Department of Family and Community Services. At the date of this report the Board of Directors has no reason to believe that either of these Departments will not continue to support the company.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 2: Profit / Loss from ordinary activities

	Note	2018	2017
		\$	\$
<b>a Expenses</b>			
Depreciation of non-current assets			
- Buildings and Fitout		115,045	103,406
- Motor Vehicles		79,390	82,511
- Plant and equipment and other non-current assets		47,909	52,830
Total Depreciation		242,344	238,747
Trade receivables impairment provision used during the year		1,429	5,906

#### Operating activities:

- Sales revenue		42,791,332	37,517,409
- Service Fee revenue		8,147,691	3,339,856
- Government funding		1,329,237	6,484,150
- Interest received		173,987	162,090
- Donations, fundraising and bequests	20	309,322	409,069
- Residents' fees		1,243,750	1,141,084
- Gain on sale of assets		799,115	18,807
- Dividends/Distributions from shares/managed funds		247,285	263,351
- Other revenue		789,633	648,379
		<u>55,831,352</u>	<u>49,984,195</u>

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 3: Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	5,707,883	6,345,974
Short term deposits	3,000,162	3,000,162
	<u>8,708,045</u>	<u>9,346,136</u>

### Note 4: Receivables

#### Current

Trade receivables	2,897,379	2,239,762
Provision for impairment of receivables	<u>(160,259)</u>	<u>(128,316)</u>
	<u>2,737,120</u>	<u>2,111,446</u>
Other receivables	<u>361,934</u>	<u>208,247</u>
	<u>3,099,054</u>	<u>2,319,693</u>

Current trade receivables are generally on up to 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. Movement in the provision for impairment of receivables is as follows:

		\$
Provision for Impairment as at 30 June 2016		<b>(128,047)</b>
Newly impaired receivables		(36,447)
Provision used during year		5,906
Amount reversed		30,272
Provision for Impairment as at 30 June 2017		<b>(128,316)</b>
Newly impaired receivables		(123,075)
Provision used during year		1,429
Amount reversed		89,703
Provision for Impairment as at 30 June 2018		<b>(160,259)</b>

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 5: Inventories

	2018	2017
	\$	\$
<b>Current</b>		
Finished goods	2,966,703	2,420,571

Inventories recognised as expense during the year amounted to \$22,681,646 (2017:\$17,013,496). Write-backs of inventories to net realisable value recognised as an expense reversal during the year amounted to \$7,051 (2017:\$40,280 expense). The expense has been included in 'Cost of sales' in the Statement of Profit or Loss and Other Comprehensive Income.

### Note 6: Other current assets

<b>Current</b>		
Prepayments	234,103	201,137

### Note 7: Financial assets

#### Non current

Listed entity equity and debt securities, at fair value	2,955,370	2,718,730
Cash held with Investments	282,578	217,458
Unlisted managed funds, at fair value	1,190,270	1,072,735
Total Financial Assets, at fair value	4,428,218	4,008,923

These assets are classified as "available for sale financial assets". The company does not expect to dispose of the investment within 12-months of the balance sheet date and has therefore classified the assets as non-current. The assets are liquid and could be realised quickly if required.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 8: Property, plant and equipment

	2018	2017
	\$	\$
<b>Land and buildings</b>		
Freehold land at cost	2,629,499	2,282,418
Buildings at cost	3,279,060	3,255,930
Less accumulated depreciation	(1,134,267)	(1,187,269)
	2,144,793	2,068,661
Total Land and Buildings	4,774,292	4,351,079
<b>Plant and Equipment</b>		
Plant and equipment at cost	348,221	236,264
Less accumulated depreciation	(196,712)	(175,133)
	151,509	61,131
Motor vehicles at cost	431,403	419,919
Less accumulated depreciation	(170,561)	(177,698)
	260,842	242,221
Office equipment at cost	329,593	305,210
Less accumulated depreciation	(270,813)	(257,641)
	58,780	47,569
Furniture and fittings at cost	156,536	154,967
Less accumulated depreciation	(88,457)	(75,298)
	68,079	79,669
Fit out at cost	1,496,947	1,225,121
Less accumulated depreciation	(1,040,492)	(1,012,052)
	456,455	213,069
Total plant and equipment	995,665	643,659
Total property, plant and equipment	5,769,957	4,994,738

## Notes to the Financial Statements For the Year Ended 30 June 2018

Note 8: Property, plant and equipment (continued)

### (a) Movements in carrying amounts

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

2018	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
	\$	\$	\$	\$	\$
Freehold land	2,282,418	450,000	(102,919)	-	2,629,499
Buildings	2,068,661	309,085	(146,347)	(86,606)	2,144,793
Plant and Equipment	61,131	111,957	-	(21,579)	151,509
Motor Vehicles	242,221	208,615	(110,604)	(79,390)	260,842
Office Equipment	47,569	24,382	-	(13,171)	58,780
Furniture and Fittings	79,669	1,569	-	(13,159)	68,079
Fitout Newington	213,069	271,825	-	(28,439)	456,455
<b>Total</b>	<b>4,994,738</b>	<b>1,377,433</b>	<b>(359,870)</b>	<b>(242,344)</b>	<b>5,769,957</b>

### (b) Land and building

Included in land and buildings are properties located at Newington and Newcastle. The Directors have reassessed the market value of the two properties as at 30 June and despite the current financial uncertainty believe that the current recoverable amount is higher than the carrying value of these properties. See Note 1n. for details on these assessments.

Note 9: Trade and Other Payables

	Note	2018	2017
		\$	\$
<b>Current</b>			
Trade creditors		5,052,628	3,972,910
Employee annual leave entitlements		1,078,301	1,062,480
Sundry payables and accrued expenses		1,980,547	2,990,305
		<b>8,111,476</b>	<b>8,025,695</b>

Note 10: Borrowings

The company's available credit facility consists of the following:

- Overdraft facility with drawings limited to \$1.0 million
- Corporate credit card facilities limited to \$70,000



## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 10: Borrowings (continued)

The credit facility is secured by registered first mortgage over the Newington property and a fixed and floating charge over all the assets of the company.

As at 30 June 2018, apart from corporate credit card facilities the available credit facilities remained unused in full.

### Note 11: Provisions

	Note	2018	2017
		\$	\$
Current employee long service leave benefits		870,130	841,413
Non current employee long service leave benefits		122,963	147,461
		<u>993,093</u>	<u>988,874</u>

	Employee Long Service Leave Benefits
	\$
Balance as at 30 June 2017	988,874
Additional provisions raised during the year	140,582
Amounts used	(136,363)
Balance as at 30 June 2018	<u>993,093</u>

A provision has been recognised for employee entitlements relating to long service leave. The current employee long service leave benefit is based on employees' entitlement as at 30 June 2018. Non current benefit is calculated using the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 12: Capital and leasing commitments

	2018	2017
	\$	\$
<b>a. Operating lease commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable — minimum lease payments		
- not later than 12 months	20,157	12,157
- between 12 months and 5 years	28,367	40,524
- greater than 5 years	-	-
	<u>48,524</u>	<u>52,681</u>

The operating leases on plant and equipment are generally for periods of up to six years in length, with rent payable monthly or quarterly in advance.

These lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a maximum six-year term. No capital commitments exist in regards to the operating lease commitments at year-end. Increases in lease commitments may occur in line with CPI.

### Note 13: Events after the reporting date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### Note 14: Company limited by guarantee

The Company is incorporated and domiciled in New South Wales under the *Corporations Act 2001*, as a company limited by guarantee. The amount of the guarantee is limited by the Constitution to an amount not exceeding \$20 per member. This guarantee is not capable of being called up except for the purpose of the winding up of the company. As at 30 June 2018 the number of members was 1,253 (2017: 1,428).

### Note 15: Contingent Assets and Contingent Liabilities

There are no contingent assets or contingent liabilities identified as at the reporting date.

# Notes to the Financial Statements

## For the Year Ended 30 June 2018

### Note 16: Related party disclosures

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

#### a) Key Management Personnel

Key management of the organisation are members of the Board and relevant management positions of the organisation. Key management remuneration totals:

	2018	2017
	\$	\$
Key Management Personnel Remuneration	1,517,875	1,451,000

### Note 17: Reserves

#### Financial Asset Reserve

This reserve records the revaluation of financial assets (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

	\$		
Balance of Reserves as at June 2016	394,135		
Increase in Asset Revaluation Reserve	146,427		
Balance of Reserves as at 30 June 2017	540,562		
Increase in Asset Revaluation Reserve	203,427		
Balance of Reserves as at 30 June 2018	743,989		

### Note 18: New and Revised Standards that are Effective for these Financial Statements

The accounting policies applied in 2017-2018 are consistent with those of the previous financial year. All new and revised Accounting Standards applied for the time during the 2017-2018 financial year do not have any material effect on the accounting policies adopted by the Company.

### Note 19: Fundraising activities conducted

During the financial year no specific general fundraising appeals were conducted under the Charitable Fundraising Act 1991. Supporters are provided the opportunity to donate funds through our website and through membership renewals.

## Notes to the Financial Statements For the Year Ended 30 June 2018

Note 20: Fundraising Appeals conducted during the financial year

The following disclosures for the current period are included to comply with the *Charitable Fundraising Act 1991*.

During the financial year the Company received income from donations and proceeds from a range of individual and corporate supporters.

### Results from fundraising appeals

(i) Net surplus from fundraising appeals:

	Note	2018	2017
		\$	\$
Aggregate gross income from fundraising appeals	1	118,658 (5,793)	250,616 (3,587)
Net surplus from fundraising appeals		112,865	247,029

Note 1: Gross income from fundraising excludes bequests and scholarship contributions which are excluded for reporting purposes under the *Charitable Fundraising Act 1991*.

(ii) Applications of funds for charitable purposes:

The fundraising appeals recorded a surplus of \$112,865 (2017: \$247,029), which went towards maintaining services to members.

Note 21: Reserve Trust Account

The Reserve Trust is a legal body constituted under the *Crown Lands Act, 1989*. ParaQuad has been assigned the Manager of the Trustee of the Reserve Trust responsible for the parcel of Crown Land located at Lidcombe. The accounts of the Reserve Trust are as follows.

	Note	2018	2017
		\$	\$
<b>Non Current Assets</b>			
Ferguson Lodge Complex	1	12,989,492	12,855,696
Total assets		12,989,492	12,855,696
<b>Equity</b>			
Retained earnings		12,989,492	12,855,696
Total equity		12,989,492	12,855,696
<b>Income Statement</b>			
Government contributions		21,401	-
Net surplus		21,401	-

Note 1: The Trust capitalises building expenditure as work in progress or as completed building works. As at reporting date \$12,989,492 of expenditure has been incurred. The building was completed during 2013.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### Note 22: Company details

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

The Paraplegic & Quadriplegic Association of NSW  
6 Holker Street  
NEWINGTON NSW 2127

The other places of business are:

BrightSky Australia  
6 Holker Street  
NEWINGTON NSW 2127

Ferguson Lodge  
10 College Street  
LIDCOMBE NSW 2141

ParaQuad Newcastle  
65 The Avenue  
WICKHAM NSW 2293

## Notes to the Financial Statements For the Year Ended 30 June 2018

The Directors of the company declare that, in their opinion:

- a) There are reasonable grounds to believe the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b) The attached financial statements and notes thereto satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - i) giving a true and fair view of the financial position and performance of the registered entity; and
  - ii) comply with Australian Accounting Standards – reduced disclosure requirements.

Signed in accordance with a resolution of the Directors pursuant to Regulation 60-15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the directors



Anders Halvorsen

Director

Dated this 19<sup>th</sup> Day of September 2018

## Directors' Declaration On Fundraising Appeals

I, Anders Halvorsen, Director of The Paraplegic & Quadriplegic Association of NSW declare in my opinion pursuant to Schedule 1, Section 7(3) of the NSW Charitable Fundraising Conditions 2009:

1. The Statement of Profit or Loss and Other Comprehensive Income included in this report gives a true and fair view of all income and expenditure of The Paraplegic & Quadriplegic Association of NSW with respect to fundraising appeals;
2. The Statement of Financial Position included in this report gives a true and fair view of the state of affairs with respect to fundraising appeals;
3. The provision of the Charitable Fundraising Act 1991, the Regulations under that Act and the conditions attached to the authority have been complied with; and
4. The internal controls exercised by The Paraplegic & Quadriplegic Association of NSW are appropriate and effective in accounting for all income received and applied by The Paraplegic & Quadriplegic Association of NSW from any of its fundraising appeals.



Anders Halvorsen  
Director  
Dated this 19<sup>th</sup> Day of September 2018

## Independent Auditor's Report to the Members of the Paralegic and Quadriplegic Association of NSW

### Report on the Audit of the Financial Report

#### Qualified opinion

We have audited the financial report of the Paralegic and Quadriplegic Association of NSW (the Company), which comprises the statement of financial position as at 30 June 2018, 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, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for qualified opinion

##### Donations

During the 2009/10, 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 financial years, specific donations have been received by the Company relating to the Ferguson Lodge re-development, Newcastle and other sundry projects. These donations have no written contractual conditions or terms attached. The Company's current accounting policy is to defer these donations as sundry payables and to recognise the funds as revenue as and when they are expended.

This constitutes a departure from Australian Accounting Standards which require contributions of this nature to be recognised as revenue when received. The Company received donations and incurred expenditure relating to the Ferguson Lodge re-development, Newcastle and other projects as follows:

Year	Donation received	Expenses incurred	Transferred to donation revenue	Balance
2009/10	\$330,000	-	-	\$330,000
2010/11	\$700,000	(\$152,411)	-	\$877,589
2011/12	\$150,000	(\$425,868)	(\$92,429)	\$509,292
2012/13	\$116,929	(\$70,503)	-	\$555,718
2013/14	\$185,534	(\$93,992)	(\$100,000)	\$547,260
2014/15	\$100,000	(\$43,882)	(167,377)	\$436,001
2015/16	\$120,000	(\$20,071)	(\$110,000)	\$425,930
2016/17	\$150,000	(\$7,980)	(\$110,000)	\$457,950
2017/18	\$150,000	(\$23,025)	(\$100,000)	\$484,925

#### Sydney Office

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### Government grant

Further, during the 2010/11 financial year the Company received a Government grant of \$2,000,000 from ADHC provided to support running costs at Ferguson Lodge. This grant is non-refundable. The Company's current accounting policy is to defer this grant as sundry payables and to recognise the funds as revenue when required to support Ferguson Lodge running costs. During the 2010/11 financial year \$550,000 was transferred to revenue, \$450,000 transferred to revenue in 2011/12, \$500,000 in 2012/13, \$82,637 in 2014/15, \$93,923 in 2015/16, \$25,094 in 2016/17 and \$298,346 in the current financial year leaving a balance of \$0 remaining in sundry payables as unexpended funds as at 30 June 2018.

Had the Company's directors recognised the donations and grant receipt in accordance with the Australian Accounting Standards, the following results for the year ended 30 June 2018 would have been reported:

Financial Statement Line Item	As reported by the Company	As required by Accounting Standards	Over/(Under) reported
Donations, fundraising, and bequests	\$309,322	\$359,322	(\$50,000)
Government funding	\$1,329,237	\$1,030,891	\$298,346
Operating and administration expenses	\$3,110,329	\$3,133,354	(\$23,025)
Profit after income tax	\$1,621,455	\$1,350,084	(\$271,371)
Total liabilities	\$8,981,606	\$8,496,681	\$484,925
Net assets	\$16,101,511	\$16,586,436	(\$484,925)
Opening retained earnings – 1/07/17	\$13,736,067	\$14,492,363	(\$756,296)
Closing retained earnings – 30/06/18	\$15,357,522	\$15,842,447	(\$484,925)

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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### Other information

The directors are responsible for the other information. The other information comprises the information in the Paraplegic and Quadriplegic Association of NSW 's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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

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 the other information we are required to report that fact. We have nothing to report in this regard.

### Directors' responsibility 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 and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibility 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

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**Report on the Requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2015 (NSW)**

We have audited the financial report as required by section 24(2) of the *Charitable Fundraising Act 1991 (NSW)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and *Charitable Fundraising Regulation 2015*.

Because of any inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements prescribed in the above-mentioned Act and Regulation as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The qualified audit opinion expressed in this report has been formed on the above basis.

**Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report:

- a) The financial report gives a true and fair view of the financial results of fundraising appeal activities for the financial year ended 30 June 2018;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2018, in accordance with the *Charitable Fundraising Act 1991* and Regulations;
- c) Money received as a result of fundraising appeal activities conducted during the financial year ended 30 June 2018 has, in all material respects, been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- d) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Nexia Sydney Partnership**

**Lester Wills**  
Partner

Dated: 19 September 2018  
Sydney

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The Board of Directors  
Paraplegic & Quadriplegic Association of NSW  
6 Holker Street  
NEWINGTON NSW 2127  
P.O. Box 78

19 September 2018

Dear Board Members

**Auditor's Independence Declaration under subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012***

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



**Nexia Sydney Partnership**



**Lester Wills**  
Partner

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