

Financial Report

Paraplegic & Quadriplegic Association of NSW

ABN 42 000 355 948

30 June 2019

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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 2019.

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; Member of Nomination Committee
Experience – Business management consultant with a number of years experience in both for profit and not for profit organizations. Experienced Director of both for profit and not for profit organizations.
- 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; Member of Nomination 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
Current Chairman and Managing Director of Osborne Strategic Risk Service Pty Ltd
.
- David Clarke** – **Director (Commenced 24/04/2015 and resigned 16/04/2019)**
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 organizations.
- 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 organizations.
- Peter Debnam** – **Director (Commenced 13/02/2013)**
Qualifications – Graduate Royal Australian Naval College, MGSM MBA.
Special Responsibilities – Chairman of Remuneration Committee.

Directors' Report

- 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 organizations.
- Shannon Finch**
 Qualifications – **Director (Commenced 18/04/2018)**
 – BA (Hons 1), LLB (Hons 1), Australian National University. Legal Practitioner Diploma, The College of Law (Sydney)
- Special Responsibilities – Member of Nomination Committee
- Experience – Partner, Jones Day; National Chairman, Corporations Committee of Business Law Section, Law Council of Australia; Guest Lecturer – University of Sydney; University of NSW; Member of Australian Institute of Company Directors; Member of FINSIA; Member of Women in Banking & Finance; previously Partner, King & Wood Mallesons
- Philip McCrea(GAICD)** – **Director (Commenced 13/02/2013)**
 Qualifications – Bachelor of Engineering, PhD.
 Experience – Experienced IT professional. Currently is Chief Technology Officer at an Australian Federal Government agency. Experienced Director of not for profit organizations.
- John Renshaw**
 Qualifications – **Director, (Commenced 29/01/2009)**
 – 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 organizations.
- Michael Mathias**
 Qualifications – **Director, (Commenced 21/11/2018)**
 – Bachelor of Science,(MACQ), Graduate Diploma of Environmental Management,(CSU), Master of Environmental Studies, (UNSW), Diploma of Law (LPAB) and Diploma of Legal Studies, (COLLAW) Admitted as Solicitor (NSW) in 2007
- Experience – Director – Keystone Environmental Consultants Pty Ltd 2000-2007 over 35 years' experience as environmental manager across Commonwealth, State and Not for Profit organizations. Legal Counsel since 2016

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

Directors' Report

COMPANY SECRETARY

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

Martin Gardiner – **Secretary (Commenced 30/03/2006 and resigned 15/05/2019)**

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 organizations.

Philip Elbourne(interim)– Secretary (Commenced 16/05/2019 and resigned 02/08/2019)

Qualifications

– GAICD, CPA, MBA, B.Bus(Double major Finance and Accounting)

Experience

– Experienced Senior Manager in for profit sectors.

Stuart Purvis – **Secretary (Commenced 21/08/2019)**

Qualifications

– CPA, B.Bus(Accounting), Diploma Company Secretarial Practice

Experience

– Experienced Executive Manager in for profit and not for profit organizations.

DIRECTORS MEETINGS

Full Meetings of Directors			Meetings of Committees					
Directors	Board Meetings		Finance and Risk		Remuneration		Nomination	
	A	E	A	E	A	E	A	E
Anders Halvorsen	6	6	5	5	2	2	9	9
Steven Osborne	6	6	5	5	2	2	9	9
David Clarke	3	3	2	3	-	-	-	-
Brian Cohen	6	6	-	-	-	-	-	-
Peter Debnam	5	6	-	-	2	2	-	-
Shannon Finch	5	6	3	5	-	-	9	9
Philip McCrea	5	6	5	5	-	-	-	-
John Renshaw	3	6	-	-	-	-	-	-

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

Directors' Report

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 2019 the number of members was 911 (2018: 1,253)

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.

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

OPERATING RESULTS

The net operating loss after income tax of the company for the financial year was \$237,883 (2018: profit \$1,621,455).

DIVIDENDS PAID OR RECOMMENDED

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

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

Directors' Report

No director has been paid any form of remuneration during the year ended 30 June 2019.

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 35.

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



Anders Halvorsen
Director
Dated this 23rd day of October 2019

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Notes	2019	2018
		\$	\$
Revenue	2b	61,735,659	55,831,352
Cost of sales		(40,981,573)	(35,771,463)
Employee related expenses		(16,851,830)	(14,913,655)
Operating and administration expenses		(3,450,909)	(3,110,329)
Trade receivables expense	4	(163,923)	(31,943)
Depreciation expenses	2a	(292,655)	(242,344)
Restructuring costs		(262,855)	(67,879)
Rental expense		(21,842)	(22,680)
Audit fees		(45,804)	(49,604)
Fair value movements on financial assets		97,849	-
Profit before income tax		(237,883)	1,621,455
Income tax expense	1a	-	-
Profit after income tax		(237,883)	1,621,455
Other comprehensive income for the year		-	203,427
Total comprehensive income for the year		(237,883)	1,824,882

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

Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	3	4,093,183	8,708,045
Trade and other receivables	4	6,114,878	3,099,054
Inventories	5	4,291,341	2,966,703
Other current assets	6	278,701	234,103
Total current assets		14,778,103	15,007,905
Non-current assets			
Financial assets	7	4,788,606	4,428,218
Property, plant and equipment	8	5,797,722	5,769,957
Total non-current assets		10,586,328	10,198,175
Total assets		25,364,431	25,206,080
Current liabilities			
Trade and other payables	9	8,478,885	8,111,476
Short-term provisions	11	901,570	870,130
Total current liabilities		9,380,455	8,981,606
Non-current liabilities			
Long- term provisions	11	120,348	122,963
Total non-current liabilities		120,348	122,963
Total liabilities		9,500,803	9,104,569
Net assets		15,863,628	16,101,511
Equity			
Reserves		-	743,989
Retained earnings		15,863,628	15,357,522
Total equity		15,863,628	16,101,511

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

Statement of Changes in Equity For the Year Ended 30 June 2019

		Financial Asset Reserve	Retained Earnings	Total
		\$	\$	\$
Balance at 30 June 2017		540,562	13,736,067	14,276,629
Total other comprehensive income for the period		203,427	-	203,427
Profit for the period		-	1,621,455	1,621,455
Balance at 30 June 2018		743,989	15,357,522	16,101,511
Adjustment for change in accounting policy (note 1)		(743,989)	743,989	-
Total other comprehensive income for the period		-	-	-
Loss for the period		-	(237,883)	(237,883)
Balance at 30 June 2019		-	15,863,628	15,863,628

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

Statement of Cash Flows For the Year Ended 30 June 2019

	Notes	2019	2018
		\$	\$
Cash Flows from Operating Activities			
Receipts from customers		61,385,956	56,881,884
Receipts from government departments		1,831,433	1,462,161
Payments to suppliers and employees		(68,691,290)	(59,286,669)
Donations received		537,160	284,327
Distributions received from managed funds		315,560	247,285
Interest received		143,060	173,987
Net cash (used in) operating activities		(4,478,121)	(237,025)
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(462,489)	(1,377,433)
Proceeds from sale of property, plant and equipment		158,929	1,167,240
Proceeds from sale of investments		907,016	571,015
Payment for purchase of investments		(740,197)	(761,888)
Net cash (used in) investing activities		(136,741)	(401,066)
Net decrease in cash and cash equivalents		(4,614,862)	(638,091)
Cash and cash equivalents at the beginning of the Financial Year		8,708,045	9,346,136
Cash and cash equivalents at the end of the Financial Year	3	4,093,183	8,708,045

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

Notes to the Financial Statements For the Year Ended 30 June 2019

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.

New or amended Accounting Standards and Interpretations adopted

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

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

Notes to the Financial Statements

For the Year Ended 30 June 2019

Note 1: Statement of significant accounting policies (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption of AASB9 resulted in a requirement to recognise investments at fair value through profit or loss where historically they had been recognised at fair value through other comprehensive income. Additionally the designation of these investments as "Available for sale" is no longer a valid classification and as such they have been redesignated as "Financial assets held at fair value through profit or loss". The impact of the adoption has been to transfer the Financial Asset Reserve to Retained Earnings to match where future revaluations will be recognised:

				1 July 2018
				\$
Financial asset reserve as at 1 July 2018				743,989
Transfer to Retained earnings				- 743,989
Financial asset reserve as at 30 June 2019				-
Impact on opening Retained earning as at 1 July 2018				743,989

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 2019

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 19 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 2019

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 2019

Note 1: Statement of significant accounting policies (continued)

e. Financial Instruments

Initial Recognition and Measurement

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(ii) 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(iv) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Notes to the Financial Statements

For the Year Ended 30 June 2019

Note 1: Statement of significant accounting policies (continued)

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is 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.

f. Impairment of Assets

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

Notes to the Financial Statements For the Year Ended 30 June 2019

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

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 2019

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 2019

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 – Allowance for expected credit loss

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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 2019 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 2019

Note 1: Statement of significant accounting policies (continued)

n. Critical Accounting Estimates and Judgements (continued)

Key Judgements – Financial Assets Held at Fair Value through Profit or Loss

The company maintains a portfolio of securities with a market value of \$4,788,606 at reporting date. As at reporting date the net increase in value of all securities from the original cost is \$841,838. The increase in value has been recognised in the profit and loss 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 2019

Note 2: Profit / Loss from ordinary activities

a Expenses			
Depreciation of non-current assets			
- Buildings and Fitout		138,183	115,045
- Motor Vehicles		86,393	79,390
- Plant and equipment and other non-current assets		68,079	47,909
Total Depreciation		292,655	242,344

b Revenue and net gains

Operating activities:

- Sales revenue		49,458,180	42,791,332
- Service Fee revenue		8,128,815	8,147,691
- Government funding		1,664,939	1,329,237
- Interest received		143,060	173,987
- Donations, fundraising and bequests	18	966,518	309,322
- Residents' fees		341,729	1,243,750
- Gain on sale of assets		4,038	799,115
- Dividends/Distributions from shares/managed funds		315,560	247,285
- Other revenue		712,820	789,633
		61,735,659	55,831,352

Notes to the Financial Statements For the Year Ended 30 June 2019

Note 3: Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank and on hand	1,047,976	5,707,883
Short term deposits	3,045,207	3,000,162
	<u>4,093,183</u>	<u>8,708,045</u>

Included within short term deposits is an amount of \$45,045 which has restricted use. The funds are held as security for the Brisbane leased premises.

Note 4: Receivables

Current

Trade receivables	4,998,070	2,897,379
Less: allowance for expected credit loss	(324,182)	(160,259)
	<u>4,673,888</u>	<u>2,737,120</u>
Other receivables	1,440,990	361,934
	<u>6,114,878</u>	<u>3,099,054</u>

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

	\$
Allowance for expected credit loss as at 30 June 2017	(128,316)
Newly impaired receivables	(123,075)
Allowance used during year	1,429
Amount reversed	89,703
Allowance for expected credit loss as at 30 June 2018	(160,259)
Newly impaired receivables	(277,775)
Allowance used during year	26,879
Amount reversed	86,973
Allowance for expected credit loss as at 30 June 2019	(324,182)

Notes to the Financial Statements

For the Year Ended 30 June 2019

Note 5: Inventories

	2019	2018
	\$	\$
Current		
Finished goods	4,291,341	2,966,703

Inventories recognised as expense during the year amounted to \$28,643,034 (2018:\$22,681,646). Write-downs of inventories to net realisable value recognised as an expense during the year amounted to \$38,619 (2018:\$7,051 expense reversal). 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

Current		
Prepayments	278,701	234,103

Note 7: Financial assets

Non current

Listed entity equity and debt securities, at fair value	3,265,552	2,955,370
Cash held with investments	249,010	282,578
Unlisted managed funds, at fair value	1,274,044	1,190,270
Total Financial Assets, at fair value through profit and loss (FVPL)	4,788,606	4,428,218

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 2019

Note 8: Property, plant and equipment

	2019	2018
	\$	\$
Land and buildings		
Freehold land at cost	2,629,499	2,629,499
Buildings at cost	3,321,370	3,279,060
Less accumulated depreciation	(1,221,544)	(1,134,267)
	2,099,826	2,144,793
Total Land and Buildings	4,729,325	4,774,292
Plant and Equipment		
Plant and equipment at cost	436,796	348,221
Less accumulated depreciation	(204,504)	(196,712)
	232,292	151,509
Motor vehicles at cost	460,813	431,403
Less accumulated depreciation	(176,643)	(170,561)
	284,170	260,842
Office equipment at cost	267,882	329,593
Less accumulated depreciation	(198,755)	(270,813)
	69,127	58,780
Furniture and fittings at cost	167,085	156,536
Less accumulated depreciation	(89,826)	(88,457)
	77,259	68,079
Fit out at cost	1,490,309	1,496,947
Less accumulated depreciation	(1,084,760)	(1,040,492)
	405,549	456,455
Total plant and equipment	1,068,397	995,665
Total property, plant and equipment	5,797,722	5,769,957

Notes to the Financial Statements For the Year Ended 30 June 2019

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:

2019	Opening Balance	Additions	Disposals	Depreciation	Closing Balance
	\$	\$	\$	\$	\$
Freehold land	2,629,499	-	-	-	2,629,499
Buildings	2,144,793	42,310	-	(87,277)	2,099,826
Plant and Equipment	151,509	109,916	-	(29,133)	232,292
Motor Vehicles	260,842	251,734	(142,013)	(86,393)	284,170
Office Equipment	58,780	34,938	-	(24,591)	69,127
Furniture and Fittings	68,079	23,591	(55)	(14,355)	77,259
Fitout Newington	456,455	-	-	(50,906)	405,549
Total	5,769,957	462,489	(142,068)	(292,655)	5,797,722

(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 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

	2019	2018
	\$	\$
Current		
Trade creditors	5,956,017	5,052,628
Employee annual leave entitlements	1,115,961	1,078,301
Sundry payables and accrued expenses	1,406,907	1,980,547
	8,478,885	8,111,476

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 2019

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 2019, apart from corporate credit card facilities the available credit facilities remained unused in full.

Note 11: Provisions

	Note	2019	2018
		\$	\$
Current employee long service leave benefits		901,570	870,130
Non current employee long service leave benefits		120,348	122,963
		<u>1,021,918</u>	<u>993,093</u>
	Employee Long Service Leave Benefits		
		\$	
Balance as at 30 June 2018		993,093	
Additional provisions raised during the year		174,624	
Amounts used		(145,799)	
Balance as at 30 June 2019		<u>1,021,918</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 2019. 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 2019

Note 12: Capital and leasing commitments

	2019	2018
	\$	\$
a. Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable — minimum lease payments		
- not later than 12 months	169,457	20,157
- between 12 months and 5 years	326,757	28,367
- greater than 5 years	3,039	-
	<u>499,253</u>	<u>48,524</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 2019 the number of members was 911 (2018: 1,253).

Note 15: Contingent Assets and Contingent Liabilities

The company is currently reviewing compliance with a legislative requirement. The review is not yet completed, so the company is not in a position to report further at this time.

Notes to the Financial Statements

For the Year Ended 30 June 2019

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:

	2019	2018
	\$	\$
Key Management Personnel Remuneration	1,190,153	1,185,866

Note 17: 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.

Note 18: 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	2019	2018
		\$	\$
Aggregate gross income from fundraising appeals	1	710,119	118,658
		(4,311)	(5,793)
Net surplus from fundraising appeals		705,808	112,865

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 \$705,808 (2018: \$112,865), which went towards maintaining services to members.

Notes to the Financial Statements

For the Year Ended 30 June 2019

Note 19: 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	2019	2018
		\$	\$
Non Current Assets			
Ferguson Lodge Complex	1	13,032,891	12,989,492
Total assets		13,032,891	12,989,492
Equity			
Retained earnings		13,032,891	12,989,492
Total equity		13,032,891	12,989,492
Income Statement			
Government contributions		28,003	21,401
Net surplus		28,003	21,401

Note 1: The Trust capitalises building expenditure as work in progress or as completed building works. As at reporting date \$13,032,891 of expenditure has been incurred. The building was completed during 2013.

Note 20: 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
27 Veronica Street
Cardiff NSW 2285

ParaQuad Northern Territory
23/16 Charlton Court, Woolner NT 0820

BrightSky Australia Brisbane Office
4 Parkview Drive
Archerfield QLD 4108

Notes to the Financial Statements For the Year Ended 30 June 2019

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 23rd Day of October 2019

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 23rd Day of October 2019

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 2019, 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 2019 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
2018/19	\$102,713	(\$123,656)	(\$407,377)	\$56,605

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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 2017/2018 and \$0 in the current financial year leaving a balance of \$0 remaining in sundry payables as unexpended funds as at 30 June 2019.

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 2019 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	\$966,518	\$661,853	\$304,665
Government funding	\$89,170	\$89,170	-
Operating and administration expenses	\$3,450,909	\$3,574,565	(\$123,656)
Deficit after income tax	(\$237,883)	(\$666,204)	(\$428,321)
Total liabilities	\$9,500,803	\$9,444,199	\$56,604
Net assets	\$15,863,628	\$15,920,232	(\$56,604)
Opening retained earnings – 1/07/18	\$15,357,522	\$15,842,447	(\$484,925)
Closing retained earnings – 30/06/19	\$15,863,628	\$15,920,232	(\$56,604)

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 2019, 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. 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 2019;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the financial year ended 30 June 2019, 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 2019 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: 23 October 2019
Sydney

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

23 October 2019

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 2019 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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