



2021/22

Finance Report

Covering the period 1 July 2021 to 30 June 2022



Paralympics
Australia



PARALYMPICS AUSTRALIA LTD

ACN 061 547 957

GENERAL PURPOSE (SDR) FINANCIAL REPORT

For the year ended 30 June 2022

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Directors' report

Your directors present their report together with the financial report of Paralympics Australia Ltd ("the Company"/ "PA") for the year ended 30 June 2022 and the auditor's report thereon.

DIRECTORS

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

John Fintan O'Callaghan
Timothy Carmody
Alison Creagh (appointed 22 June 2022)
Rebecca Frizelle
Lachlan Harris
John Kenneth Hartigan
Kate Jones (appointed 22 June 2022)
Rosanne Phyllis King (resigned 8 December 2021)
Grant Mizens
Dr Helen Philippa Nott (resigned 8 December 2021)
Annabelle Williams

Information on Directors

John Fintan O'Callaghan (Chairman)	<ul style="list-style-type: none">- Former PwC Partner and Global Leader, Mining & Metals- Former Member of Audit and Finance Committee of the International Paralympic Committee from 2018-2022.- Bachelor of Commerce, University of Melbourne- Fellow of Chartered Accountants Australia and New Zealand- Member of the Australian Institute of Company Directors- Vice President of Brisbane 2032 Organising Committee for the Olympic & Paralympic Games
Timothy Carmody	<ul style="list-style-type: none">- Former judge of Family Court of Australia, Chief and Puisne Justice of Supreme Court of Queensland- Judicial member of Queensland Civil and Administrative Tribunal- Inaugural State Crime Commissioner- Chair Queensland Child Protection Commission of Inquiry
Alison Creagh, AM CSC	<ul style="list-style-type: none">- Strategic Defence Advisor for the Queensland Government- Chair of SME Gateway- Chair of Veteran Community Business Chamber- Non-Executive Director for GME- Non-Executive Director for The Hospital Research Foundation Group- Non-Executive Director for Veterans Film Festival- Trustee for the Commanda Welfare Trust- Director Rowing Australia
Rebecca Frizelle, OAM	<ul style="list-style-type: none">- Member of the Order of Australia- Director Titans Rugby League Pty Ltd- Member, Griffith University Council- Former Chairman Titans Rugby League Pty Ltd- Director of ASX Listed Sunland Development Group- Member Risk & Audit – Sunland Development Group- Director of the Audi Australia Foundation Board- Director of LifeFlight Australia Ltd- Graduate & Member AICD- Director of BizRebuild (initiative of the Business Council of Australia)- Director of Brisbane 2032 Organising Committee for the Olympic and Paralympic Games

Directors' report (continued)

Lachlan Harris	<ul style="list-style-type: none">- Founder and CEO of RevTech Media, an Australia media and technology business. RevTech Media owns and operates One Big Switch, The FiftyUp Club, and RoboSave.- Formerly the Principal Press Secretary for the Hon Kevin Rudd MP and previously served as Press Secretary for Shadow Treasurer Wayne Swan and Shadow Defence Minister Robert McClelland.- Graduated with a Bachelor of Arts / Law at the University of New South Wales in 2003. During his studies he founded, Budgy Smuggler Swimwear- Represented Australia at the World Junior Rowing Championships
John Kenneth Hartigan	<ul style="list-style-type: none">- Former Chairman of the Prime Media Group- Former Chairman, Destination NSW- Formerly Chairman and Chief Executive Officer of News Limited, now known as NewsCorp Australia- Formerly a Trustee of the Sydney Cricket and Sports Ground Trust- Life Member of the Bradman Foundation- Patron of the Indigenous Marathon Project and Ambassador for the Australian Indigenous Education Foundation.
Kate Jones	<ul style="list-style-type: none">- Former Queensland Government Minister in a range of portfolios including State Development, Education, Tourism and Major Events and Innovation and Climate Change.- Former Minister for the Commonwealth Games 2018- Former Member of the Cabinet Budget Review Committee for QLD- Member of the National Rugby League Commission- Masters in Environmental Law (The Australian National University) and a Bachelor of Arts, Journalism Major (Queensland University of Technology)
Rosanne Phyllis King, OAM	<ul style="list-style-type: none">- Chief Executive Officer – Netball Victoria and the Melbourne Vixens- Awarded a Medal of the Order of Australia in the 2021 Queen's Birthday honours for services to Sport Administration- Formerly General Manager of People and Culture at the Geelong Cats- General Manager, Organisational Development for Sport New Zealand- Masters in Business Management, Ballarat University- Graduate, Australian Institute of Company Directors- Member – State Netball Hockey Centre Advisory Committee (Victorian Government appointment)- Member – Steering committee for redevelopment of State Netball Hockey Centre Advisory Committee- Member – Sports Alliance for the prevention of crime (Victorian Government appointment)- Recipient of the 2020 Distinguished Alumni Award for Outstanding Professional Achievement (Federation University)- Winner of the 2018 Victorian Sport Administrator of the Year- A Change our Game Champion for the Victorian Government- Winner of the 2015 AFL Graeme Samuel Scholarship; attended Harvard Executive Leadership Program
Grant Mizens, OAM	<ul style="list-style-type: none">- Portfolio Manager at MLC Investments- Three-time Paralympian (2004,2008,2012) in wheelchair basketball, 2008 Beijing gold medalist- 2010 World Champion in wheelchair basketball, Birmingham UK- Director of Sargood Foundation, Chair of Finance sub-committee. Sargood Foundation supports Sargood on Collaroy to provide people living with SCI with the opportunities to live life to the fullest.- Graduate member of the Australian Institute of Company Directors (GAICD)- BA (Econ), University of Illinois USA

Directors' report (continued)

Dr Helen Philippa Nott	<ul style="list-style-type: none">- Professional Company Director- Non-Executive Director of QBE Australia Pacific portfolio including APRA-regulated entities QBE Insurance (Australia) Limited, QBE Insurance (International) Pty Ltd and QBE Lenders' Mortgage Insurance Limited. Chair Investment Committee, Member of Audit Committee and Member of Risk and Capital Committee- Non-Executive Member of the Board of the NZ Accident and Compensation Corporation (ACC), Member of the Risk, Assurance and Audit Committee and Member of the Health Sector Strategy Advisory Committee- Non-Executive Director of Healthdirect Australia. Member of Finance, Risk Management and Audit Committee- Formerly Non-Executive Director, QBE Life (Australia) Limited- Ph.D. in Engineering, Murdoch University- Member of the Australian Institute of Company Directors
Annabelle Josephine Williams	<ul style="list-style-type: none">- Recipient of the medal of the order of Australia in 2013 Australia Day Honors list- Two-time Paralympian and multiple Paralympic medal winner- Chair of inaugural APC Athletes Commission- Board Member of Swimming Australia- Member of the IAAF Disciplinary Tribunal- Member of the ICC Disciplinary Tribunal- Member of the National Sports Tribunal- Bachelor of International Relations and Bachelor of Law (Hons), Bond University- Graduate of Stanford University, Graduate School of Business

COMPANY SECRETARY

James Fitzsimons held the position of Company Secretary throughout the financial year. James Fitzsimons resigned as secretary on 4th July 2022 and Ian Fullagar was appointed on 4th July 2022.

DIVIDENDS

In accordance with the Constitution, no dividends can be paid and accordingly no dividends were paid or declared since the start of the financial year (2021: \$nil).

CORPORATE INFORMATION

Paralympics Australia Ltd is a company limited by guarantee that is incorporated and domiciled in Australia. The registered office and principal place of business is 1A Herb Elliott Avenue, Sydney Olympic Park, NSW 2127.

The corporate objectives of PA are defined by and in its Constitution. These may be summarised as follows:

SHORT TERM AND LONG-TERM OBJECTIVES

PA's objectives are:

- To help Australians with disabilities participate in sport and compete at the Paralympic Games through partnerships with governments, businesses, sporting bodies and the community.
- To control, supervise and administer the representation of Australia at the Paralympic Games, Games recognised by the International Paralympic Committee ("IPC"), and other international multi-disability sports events and championships approved by the IPC involving national team participation.
- To manage partnerships with governments, businesses, national sporting organisations and disability groups, critical to delivering a successful Australian Paralympic Team.
- To coordinate, represent and promote the Paralympic movement in Australia and to encourage athletes to participate in sports to international standards.

Directors' report (continued)

STRATEGY FOR ACHIEVING THOSE OBJECTIVES

PA has a corporate and budget strategy that provides an outline to the key business elements, goals and key strategic elements to facilitate the accomplishment of the priorities. PA has five key strategic priorities:

1. Para Performance - innovation excellence and leadership
2. Rebuild cash reserves
3. Commercial growth
4. Greater stakeholder engagement
5. Communications/brand growth

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were that of sport administration in relation to athletes with a disability and their progression to competing in a Paralympic Games.

PERFORMANCE MEASUREMENT

The monitoring and performance of the objectives of PA is managed through operational plans and budgetary processes that are directly linked to the corporate strategy of PA. Actual performance is monitored monthly as a direct comparison to the budgeted operational plan.

OPERATING AND FINANCIAL REVIEW

Operating results for the year

The net income of PA for the year amounted to \$2,542,192 (2021: \$1,370,253). Total revenue was \$26,156,277 (2021: \$11,013,461) and total expenses were \$23,614,085 (2021: \$9,643,208).

Note that the Company is a registered charity and deductible gift recipient for Australian income tax purposes. The Company is exempt from Australian income tax.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs that occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events occurring after balance sheet date which may affect either the Company's operations or results of those operations.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The strategy of Paralympics Australia Ltd will continue unchanged to ensure the long-term delivery of its objectives. The directors have the expectation that funding will continue under the current arrangements but acknowledge that it is at the discretion of the Federal Government.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has provided for and paid premiums during the year for directors' and officers' liability and corporate reimbursement insurance contracts.

The insurance premiums relate to:

- Cost and expenses incurred by relevant officers defending proceedings, whether civil or criminal and whatever their outcome;

Directors' report (continued)

- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid with respect to the directors' and officers' liability and corporate reimbursement insurance contract, as such disclosure is prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF PA

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 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 financial year.

DIRECTORS' AND COMMITTEE MEETINGS

The number of directors' meetings and committee meetings including the number of meetings attended by each of the directors of the Company during the financial year are:

<u>Director</u>	<u>Directors' Meetings</u>	<u>Directors' Meetings</u>	<u>Audit & Risk</u>	<u>Audit & Risk</u>	<u>Nominations/ Remuneration</u>	<u>Nominations/ Remuneration</u>	<u>Fundraising</u>	<u>Fundraising</u>	<u>Governance</u>	<u>Governance</u>
	<u>Number of meetings eligible to attend</u>	<u>Number of meetings attended</u>	<u>Number of meetings eligible to attend</u>	<u>Number of meetings attended</u>	<u>Number of meetings eligible to attend</u>	<u>Number of meetings attended</u>	<u>Number of meetings eligible to attend</u>	<u>Number of meetings attended</u>	<u>Number of meetings eligible to attend</u>	<u>Number of meetings eligible to attend</u>
John Fintan O'Callaghan	6	6	6	6	4	4			1	1
Timothy Carmody	6	4	6	6					1	1
Rebecca Frizelle	6	4			4	4	3	2		
Lachlan Harris	6	5			3	3				
John Kenneth Hartigan	6	5			3	3				
Rosanne Phyllis King	3	3			2	2				
Grant Mizens	6	6	6	6	4	4				
Dr Helen Philippa Nott	3	3	3	3						
Annabelle Williams**	5	3			3	2			1	0
David Kells*	3	1	6	6						

* David Kells is an independent member of the Audit and Risk subcommittee.

** Annabelle Williams was granted a leave of absence on 10 May 2022.

Since appointment of Alison Creagh and Kate Jones on 22 June 2022 no board meetings were held from this time to 30 June 2022.

MEMBER'S GUARANTEE

Paralympics Australia Ltd is a Company limited by guarantee that is incorporated and domiciled in Australia. If the Company is wound up, its Constitution states that each member is required to contribute a maximum of \$1.00 towards meeting any outstanding obligations of the Company.

At 30 June 2022, the number of members was 23 (2021: 23 members).

AUDITOR INDEPENDENCE

The directors have received the Independence Declaration from the Auditors. The Declaration is attached as page 9 of the report.

Directors' report (continued)

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of the directors.

Dated at Sydney Olympic Park this 26th October 2022.



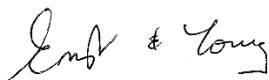
John Fintan O'Callaghan
Director

Auditor's Independence Declaration to the Directors of Paralympics Australia Ltd

In relation to our audit of the financial report of Paralympics Australia Ltd for the financial year ended 30 June 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of Paralympics Australia Ltd and the entity it controlled during the financial year.



Ernst & Young



Daniel Cunningham
Partner
26 October 2022

Consolidated statement of comprehensive income

For the year ended 30 June 2022

	<i>Note</i>	2022 \$	2021 \$
Revenue			
Grants	4.2(a)	13,822,122	5,610,628
Sponsorship and Broadcasting	4.1(a)	6,929,384	3,501,655
Fundraising	4.2(b)	4,463,803	663,810
Investment Income and Bank interest	4.2(c)	146,706	75,136
Membership fees and other income	4.2(d)	794,262	1,162,232
		<u>26,156,277</u>	<u>11,013,461</u>
Expenses			
Sport programs	4.2(e)	(4,679,952)	(4,027,208)
Paralympic and other games	4.2(f)	(8,919,485)	(2,094,875)
Promotion, marketing and media		(1,647,596)	(741,428)
Fundraising		(1,965,759)	(439,043)
Administration	4.2(g)	(2,959,154)	(2,191,319)
Broadcasting		(3,442,139)	(149,335)
Total expenses		<u>(23,614,085)</u>	<u>(9,643,208)</u>
Operating surplus before income tax		<u>2,542,192</u>	<u>1,370,253</u>
Income tax expense		-	-
Net surplus attributable to the members of Paralympics Australia Ltd		<u>2,542,192</u>	<u>1,370,253</u>
Other Comprehensive Income		-	-
Total comprehensive income for the year		<u>2,542,192</u>	<u>1,370,253</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	11,068,869	18,756,262
Trade and other receivables	6	609,692	1,787,724
Total current assets		11,678,561	20,543,986
Non-current assets			
Investments	7	4,049,488	1,124,561
Right of Use Assets	8	139,930	112,824
Property, plant and equipment	9	272,540	303,879
Total non-current assets		4,461,958	1,541,264
Total assets		16,140,519	22,085,250
Liabilities			
Current liabilities			
Trade and other payables	10	1,755,291	1,909,479
Provisions	11	182,475	160,866
Contract liabilities	12	4,989,687	13,285,276
Lease liabilities	8	143,400	141,422
Total current liabilities		7,070,853	15,497,043
Non-current liabilities			
Provisions	11	142,323	189,789
Lease liabilities	8	10,725	23,992
Total non-current liabilities		153,048	213,781
Total liabilities		7,223,901	15,710,824
Net assets		8,916,618	6,374,426
Equity			
Accumulated funds		8,916,618	6,374,426
Total equity		8,916,618	6,374,426

The above statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2022

	<i>Accumulated funds</i>	<i>Total equity</i>
	\$	\$
At 1 July 2020	5,004,173	5,004,173
Surplus for the year	1,370,253	1,370,253
Total comprehensive income for the year	1,370,253	1,370,253
At 30 June 2021	6,374,426	6,374,426
Surplus for the year	2,542,192	2,542,192
Total comprehensive income for the year	2,542,192	2,542,192
At 30 June 2022	8,916,618	8,916,618

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2022

	<i>Note</i>	2022	2021
		\$	\$
Operating activities			
Receipts from customers		15,444,933	15,219,330
Payments to suppliers and employees		(19,867,960)	(10,367,534)
Interest received		9,340	15,732
Net cash flows from operating activities		(4,413,687)	4,867,528
Investing activities			
Purchase of investments		(3,000,000)	-
Purchase of property, plant and equipment		(72,120)	(129,297)
Net cash flows used in investing activities		(3,072,120)	(129,297)
Financing activities			
Repayment of lease liabilities		(160,052)	(100,688)
Interest paid		(41,535)	(81,129)
Net cash flows used in financing activities		(201,586)	(181,817)
Net increase/(decrease) in cash and cash equivalents		(7,687,393)	4,556,414
Cash and cash equivalents at 1 July		18,756,262	14,199,848
Cash and cash equivalents at 30 June	5	11,068,869	18,756,262

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

1 CORPORATE INFORMATION

The financial report of Paralympics Australia Ltd for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 26 October 2022.

Paralympics Australia Ltd is a Company limited by guarantee incorporated and domiciled in New South Wales. Its registered office and principal place of business is 1A Herb Elliott Ave, Sydney Olympic Park, NSW. Paralympics Australia Ltd was formerly Australian Paralympic Committee Ltd.

PA operates to foster the Paralympic movement in Australia in accordance with its Constitution. PA's primary role is to represent and promote sport for athletes with a disability and to execute its exclusive powers for the representation of Australia at Paralympic games, both summer and winter. PA operates predominantly in Australia except at the time of participation of Australian teams at overseas locations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board. In addition, the financial report has been prepared in accordance with the reporting requirements of the Charitable Fundraising Act 1991 (NSW), Charitable Collections Act 1946 (WA), and the Australian Charities and Not-for-profits Commission Act 2012.

The financial report has been prepared in accordance with the historical cost convention. The financial report is presented in Australian dollars (\$).

The accounts have been prepared for Paralympics Australia Ltd and its wholly owned subsidiary Parasport Australia Pty Limited which remains dormant.

(b) Statement of compliance

The financial report complies with the Australian Charities and Not-for-profit Commission Act 2012 and Australian Accounting Standards - Simplified Disclosures.

(c) New accounting standards and interpretations

The accounting policies applied by Paralympics Australia Ltd and are consistent with those of the prior year. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2* during the year. The Company previously prepared financial reports which complied with Australian Accounting Standards – Reduced Disclosure Requirements. There was no significant impact from the adoption of AASB 1060.

(d) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Paralympics Australia Ltd is Australian dollars (\$).

(ii) Transactions and balances

Notes to the financial statements

For the year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Foreign currency translation (continued)

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand. The company has short term deposits with maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(f) Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade and other receivables, which comprise amounts due from trading activities are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from 30 to 90 days. The carrying amount of the receivables is deemed to reflect fair value.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company assesses a provision based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(g) Investments

Investments in managed funds are financial assets classified as fair value through profit and loss. Fair value movements in these investments is recognised in the profit and loss statement. At balance date, the Company assesses whether there is any impairment to investments.

(h) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Computer Network - 20% to 40%
- Office Furniture and equipment – 4% to 20%

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

Where an indicator of impairment exists, PA makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. Value in use is the depreciated replacement cost of an asset when the future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows and where PA would, if deprived of the asset, replace its remaining future economic benefits.

Impairment losses would be recognised in the statement of comprehensive income.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property 7 years
- Equipment 2 years

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(j) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to PA prior to the end of the financial year that are unpaid and arise when PA becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition.

(l) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(m) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

PA contributes to a group employee superannuation scheme. Contributions on behalf of employees are based on statutory percentages of their gross salaries. The scheme provides for accumulation and PA is under no legal obligation to make up any shortfall in the scheme's ability to meet payments due to employees. Superannuation fund contributions are charged as an expense as incurred.

(n) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from contracts with customers includes sponsorship and broadcasting revenue which is recognised over the period the services are provided. In-kind contributions are recognised at the fair value of the goods or services received.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Revenue recognition (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(o) Other Income

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Job Keeper

The government introduced a JobKeeper Payment scheme to support businesses significantly affected by the COVID-19 pandemic to help keep more Australians in jobs. The JobKeeper Payment was available to eligible employers to enable them to pay their eligible employee's salary or wages a set amount per fortnight. Eligible employers were reimbursed a fixed amount per fortnight for each eligible employee. PA qualified as an eligible employer up to 31 March 2021.

No payment was made to PA in the current financial period, (30 June 2021: \$726,257).

The JobKeeper Payment scheme is accounted for in line with AASB 1058 Income of Not-for-Profit Entities. PA recognised a receivable and income when it obtained control over the funding.

Fundraising income

Donations and other fundraising income is recognised when the Company is entitled to receive the income.

(p) Income tax

PA is a registered charity with deductible gift recipient status and as a sporting body is exempt from Australian Income Tax under Section 23(g) (iii) of the Income Tax Assessment Act, 1936, as amended.

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

Notes to the financial statements (continued)

For the year ended 30 June 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Other taxes (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(r) Presentation of Comparative Amounts

Comparative amounts may be presented differently from prior year to conform with the current year presentation of the financial statements and notes.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

PA assesses impairment of all assets at each reporting date by evaluating conditions specific to PA and to the particular asset that may lead to impairment. These include the revenue, economic and political environments and future revenue expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.

Contract liabilities

Australian Sports Commission funding provided for specific sport programmes, unexpended in the financial year are held as contract liabilities within the statement of financial position of PA. These funds will be expended in future periods, in accordance with applicable funding agreements.

Notes to the financial statements (continued)

For the year ended 30 June 2022

4 REVENUE AND EXPENSES

Revenue from contracts with customers is recognised over time within Australia.

	2022	2021
	\$	\$
4.1 Revenue from contract with customers		
(a) Sponsorship and Broadcasting		
Sponsors and broadcasting financial contributions	3,747,447	3,378,783
Sponsors and broadcasting in-kind contributions	3,181,937	122,872
	<u>6,929,384</u>	<u>3,501,655</u>
4.2 Grants and other revenue		
(a) Grants		
During the year PA recognised the following Federal and State Government funding:		
Australian Sports Commission Funding	12,673,624	5,302,691
New South Wales Government - Department for Sport & Recreation	360,000	97,030
South Australia Government - Office for Recreation & Sport	54,799	100,408
Victorian Government – Department of Health and Human Services	733,699	10,499
Australian Capital Territory – Sport and Recreation Services	-	100,000
	<u>13,822,122</u>	<u>5,610,628</u>
(b) Fundraising		
Community Fundraising	256,810	25,272
Corporate Fundraising	321,466	339,297
Direct Response	2,764,832	172,199
Trade Promotions	963,490	396
Regular Giving	157,205	126,646
	<u>4,463,803</u>	<u>663,810</u>
Donations within Australia	4,463,403	657,136
International donations	400	6,674
(c) Bank interest		
Interest income from operating bank accounts	9,362	15,732
Dividend and interest income from Investment Portfolio	137,344	59,404
	<u>146,706</u>	<u>75,136</u>
(d) Membership fees and other income		
Membership fees	2,300	2,400
Unrealised gain on Investment Portfolio	-	57,556
Realised gain on Investment Portfolio	-	2,589
Jobkeeper	-	726,257
Other income	791,962	373,430
	<u>794,262</u>	<u>1,162,232</u>
Total grants and other revenue	<u>19,226,893</u>	<u>7,511,806</u>

Notes to the financial statements (continued)

For the year ended 30 June 2022

4 REVENUE AND EXPENSES (continued)

	2022	2021
	\$	\$
(e) Sport programs		
High Performance /Paralympic preparation programs	4,679,952	4,027,208
(f) Paralympic and other games		
Summer Paralympic Games	7,958,837	2,083,351
Winter Paralympic Games	960,648	11,524
	<u>8,919,485</u>	<u>2,094,875</u>
(g) Expenses included in Administration expenses on the Statement of comprehensive income are:		
Depreciation expense	103,067	87,709
Loss on disposal of property, plant & equipment	393	-
Rental expense relating to operating leases	121,877	294,641
Interest expense	43,315	76,554
Depreciation right-of-use assets	121,971	110,542
Unrealised loss on Investment Portfolio	180,253	-
Realised loss on Investment Portfolio	9,308	-

5 CASH AND CASH EQUIVALENTS

Cash at bank earns interest between 0.01% (2021: 0.01%) and 1.42% (2021: 0.45%). The carrying amounts of cash and cash equivalents represent fair value.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the organisation, and earn interest at the respective short-term deposit rates.

Reconciliation to statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2022	2021
	\$	\$
Cash at bank and in hand	11,068,869	18,756,262
	<u>11,068,869</u>	<u>18,756,262</u>

6 TRADE AND OTHER RECEIVABLES (CURRENT)

	2022	2021
	\$	\$
Trade receivables	443,909	511,587
Expected credit loss	-	-
	<u>443,909</u>	<u>511,587</u>
Sundry debtors	108,465	998,529
Prepayments	57,318	277,608
Carrying amount of trade and other receivables	<u>609,692</u>	<u>1,787,724</u>

Notes to the financial statements (continued)

For the year ended 30 June 2022

7 INVESTMENTS

	2022 \$	2021 \$
Managed Funds at fair value	4,049,488	1,124,561

Fair value is determined by reference to the valuation provided by the Fund Manager at balance date.

8 LEASES

Company as a lessee

The Company has lease contracts for commercial property leases and office equipment. These leases have an average life of 6 years. There are no restrictions placed upon the lessee by entering into these leases. The Company's lease terms may include options to extend or terminate the lease. These options are reflected in the Company's future contractual obligations when it is reasonably certain that the Company will exercise that option.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2022 \$	2021 \$
Opening Balance (as at 1 July 2021)	112,824	234,110
Additions	149,077	-
Adjustment	-	(10,744)
Depreciation expense	(121,971)	(110,542)
At 30 June 2022	139,930	112,824

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2022 \$	2021 \$
Opening Balance (as at 1 July 2021)	165,414	278,726
Additions	149,077	-
Adjustments	(315)	(12,624)
Accretion of Interest	41,535	81,129
Payments	(201,586)	(181,817)
At 30 June 2022	154,125	165,414
Current Lease liability	143,400	141,422
Non- current Lease liability	10,725	23,992

Presented below is the maturity analysis of future lease payments:

	2022 \$	2021 \$
Not later than 1 year	171,633	180,744
Later than 1 year and not later than 5 years	9,111	30,978
	180,744	211,722

Notes to the financial statements (continued)

For the year ended 30 June 2022

The following are the amounts recognised in profit or loss:

	2022	2021
	\$	\$
Depreciation expense of right-of-use-assets	121,971	110,542
Interest expense on lease liabilities	41,535	81,129
Expense relating to short-term leases (included under rent expenses)	-	294,641
	163,506	486,312

The Company had total cash outflows for leases of \$201,586 in 2022.

9 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the year

	Computer Network	Office Furniture and Equipment	Total
Cost			
At 1 July 2021	155,393	687,605	842,998
Additions	35,720	36,400	72,120
Disposals	(59,766)	(288,766)	(348,532)
At 30 June 2022	131,347	435,239	566,586
Accumulated depreciation			
At 1 July 2021	(109,001)	(430,118)	(539,119)
Depreciation charge for the year	(35,725)	(67,342)	(103,067)
Disposals	59,374	288,766	348,140
At 30 June 2022	(85,352)	(208,694)	(294,046)
Net Book Value			
At 30 June 2022	45,995	226,545	272,540

Notes to the financial statements (continued)

For the year ended 30 June 2022

10 TRADE AND OTHER PAYABLES (CURRENT)

	2022	2021
	\$	\$
Trade payables	264,007	669,767
Other payables	816,682	448,861
GST/PAYG Payable	186,391	339,930
Annual leave accrued	488,211	450,921
	<u>1,755,291</u>	<u>1,909,479</u>

(a) Fair value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Trade payables

Trade payables are non-interest bearing and are normally settled on 30-day terms.

11 PROVISIONS

	2022	2021
	\$	\$
Current		
Long service leave	<u>182,475</u>	<u>160,866</u>
Non-current		
Long service leave	<u>142,323</u>	<u>189,789</u>

Nature and timing of provisions

Long service leave

Refer to Note 2 (m) (ii) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

12 CONTRACT LIABILITIES

	2022	2021
	\$	\$
Current		
Australian Sports Commission unexpended grant income	4,272,254	10,789,095
Grant and sponsorship income received in advance	717,433	2,496,181
	<u>4,989,687</u>	<u>13,285,276</u>

13 COMMITMENTS AND CONTINGENCIES

(a) Commitments

Short term lease commitments – Company as lessee

PA has not entered any short-term property lease during the year ending June 30, 2022.

Notes to the financial statements (continued)

For the year ended 30 June 2022

13 COMMITMENTS AND CONTINGENCIES (continued)

(b) Capital commitments

The Company had no capital commitments as at 30 June 2022 (2021: \$nil)

(c) Contingencies

The Company had no contingent liabilities at 30 June 2022 (2021: \$nil).

14 RELATED PARTY DISCLOSURES

As at 30 June 2022, there was no amount receivable from a Director. An amount of \$85 was payable to a Director in relation to costs covered by Paralympics Australia Ltd (2021: \$nil). Transactions with directors are made on terms equivalent to those that prevail in arm's length transactions on normal conditions.

Directors and employees may make voluntary donations to the Company. These are recognised as fundraising income when received consistent with all other donations received.

15 KEY MANAGEMENT PERSONNEL

	2022	2021	
	\$	\$	
Total compensation	1,880,303	1,416,684	
Compensation in bands			
	\$0	11	9
	\$50,000-\$149,999	5	2
	\$150,000+	6	5
Number of Staff	22	16	

Note that compensation comprises actual remuneration earned during the year, even if the staff member was employed for part of a year (not grossed up).

16 AUDITOR REMUNERATION

The auditor of Paralympics Australia Limited is Ernst & Young Australia.

	2022	2021
	\$	\$
Fees to Ernst & Young		
For auditing the statutory financial report of the Company and auditing of grant acquittal statement	94,300	124,984
For tax compliance and compliance services	11,500	21,800
Total auditor's remuneration	105,800	146,784

17 REMUNERATION OF DIRECTORS

Except for normal reimbursements for expenses incurred in conducting their duties and responsibilities, the directors of PA do not and have not received remuneration, fees or other payments for services rendered.

18 EVENTS AFTER BALANCE DATE

There have been no other significant events occurring after balance sheet date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Notes to the financial statements (continued)

For the year ended 30 June 2022

19 FUNDRAISING SUPPLEMENTARY INFORMATION

Fundraising 2022

The information below is required to be furnished under the Charitable Fundraising Act 1991 (NSW).

Paralympics Australia Ltd is required to provide minimum fundraising information under the reporting requirements of the Collections for Charitable Purposes Act 1939 (SA), Charitable Fundraising Act 1991 (NSW), Charitable Collections Act 1946 (WA), Charitable Collections Act 2003 (ACT), The Collections for Charities Act 2001 (TAS), Charitable and Non-Profit Gaming Act 1999 (QLD) and the Fundraising Appeals Act 1998 (VIC).

ALL	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	256,510	321,466	157,205	-	2,764,732	3,499,913	963,490	4,463,403
Expenditure	94,513	8,838	2,125	-	23,337	128,813	879,700	1,008,513
Net Surplus /(Deficit)	161,997	312,628	155,080	-	2,741,395	3,371,100	83,790	3,454,890
Net %	63%	97%	99%	%	99%	96%	9%	77%

The figures above relate strictly to the fundraising incomes and expenditures accounted for within the financial year, 1 July 2021 to 30 June 2022. The net surplus, or net deficit, reported does not necessarily reflect the outcome of the fundraising campaigns as their effective period may differ from the financial year.

Note that administration costs of \$957,246 (2021: \$389,917) have not been included in the expenditure above.

For purposes of consistency and comparison, the full information is furnished for all States.

NSW	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	86,505	238,016	58,385	-	1,136,583	1,519,490	418,879	1,938,369
Expenditure	31,874	6,544	789	-	9,594	48,800	382,452	431,252
Net Surplus /(Deficit)	54,632	231,472	57,596	-	1,126,989	1,470,689	36,428	1,507,117
Net %	63%	97%	99%	0%	99%	97%	9%	78%

ACT	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	17,395	-	10,985	-	97,929	126,308	34,612	160,920
Expenditure	6,409	-	148	-	827	7,384	31,602	38,986
Net Surplus /(Deficit)	10,986	-	10,837	-	97,102	118,924	3,010	121,934
Net %	63%	0%	99%	0%	99%	94%	9%	76%

QLD	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	33,961	57,116	27,600	-	312,982	431,658	118,931	550,589
Expenditure	12,513	1,570	373	-	2,642	17,098	108,588	125,686
Net Surplus /(Deficit)	21,448	55,546	27,226	-	310,340	414,559	10,343	424,902
Net %	63%	97%	99%	0%	99%	96%	9%	77%

Notes to the financial statements (continued)

For the year ended 30 June 2022

19 FUNDRAISING SUPPLEMENTARY INFORMATION (continued)

VIC	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	83,516	26,307	15,422	-	862,422	987,667	270,819	1,258,486
Expenditure	30,772	723	208	-	7,280	38,984	247,267	286,251
Net Surplus /(Deficit)	52,744	25,583	15,214	-	855,142	948,683	23,552	972,235
Net %	63%	97%	99%	0%	99%	96%	9%	77%

TAS	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	2,836	-	4,988	-	45,960	53,784	14,918	68,701
Expenditure	1,045	-	67	-	388	1,500	13,620	15,121
Net Surplus /(Deficit)	1,791	-	4,920	-	45,572	52,283	1,297	53,581
Net %	63%	0%	99%	0%	99%	97%	9%	78%

SA	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	9,390	27	20,456	-	125,988	155,861	43,337	199,197
Expenditure	3,460	1	276	-	1,063	4,800	39,568	44,368
Net Surplus /(Deficit)	5,930	26	20,180	-	124,925	151,061	3,769	154,830
Net %	63%	96%	99%	0%	99%	97%	9%	78%

WA	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	20,489	-	7,946	-	167,245	195,680	53,636	249,316
Expenditure	7,549	-	107	-	1,412	9,068	48,972	58,040
Net Surplus /(Deficit)	12,940	-	7,839	-	165,833	186,612	4,664	191,276
Net %	63%	0%	99%	0%	99%	95%	9%	77%

NT	Community Fundraising	Corporate Fundraising	Regular Giving	High Value Giving	Direct Response	Total excl Trade Promotions	Trade Promotions	Total
Revenue	2,418	-	11,424	-	15,625	29,466	8,359	37,824
Expenditure	891	-	154	-	132	1,177	7,632	8,809
Net Surplus /(Deficit)	1,527	-	11,269	-	15,493	28,289	727	29,016
Net %	63%	0%	99%	0%	99%	96%	9%	77%

Notes to the financial statements (continued)

For the year ended 30 June 2022

20 ECONOMIC DEPENDENCY

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

Paralympics Australia Ltd has a net current assets position of \$4,607,708 as at 30 June 2022 (2021: \$5,046,943) and has generated an operating surplus for the year of \$2,542,192 (2021: \$1,370,253). The net cash inflows/(outflow) from operating activities during the year were (\$4,413,687) (2021:\$4,867,528). As at 30 June 2022 the Company has net assets of \$8,916,618 (2021: \$6,374,426).

PA is economically dependent on grants provided by the Australian Sports Commission to continue at its current level of operations. A recurring reduction in grants provided would impact on operating levels.

The Company has prepared detailed cashflow forecasts over which analysis has been performed. These show that the Company can pay its debts as and when they fall due in the ordinary course of business and as such the Directors have concluded that the going concern basis is appropriate.

Directors' declaration

In accordance with a resolution of the directors of Paralympics Australia Ltd, I state that in the opinion of the directors:

- (a) the financial statements and notes of the Company are 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 2022 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
- (c) the statement of comprehensive income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- (d) the statement of financial position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
- (e) the provisions and regulations of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2021 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947) and the conditions attached to the authority to fundraise have been complied with by the Company; and
- (f) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

On behalf of the Board



John Fintan O'Callaghan
Director

Sydney, 26 October 2022



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Independent Auditor's Report to the Board Members of Paralympics Australia Ltd

Report on the Financial Report

Opinion

We have audited the financial report of Paralympics Australia Ltd (the Company) and its subsidiary (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2021 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947)

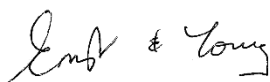
We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991 and the WA Charitable Collections Act (1946). Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2021 and the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947).

Because of the 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 described in the above mentioned Acts and Regulations 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 audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) The financial report of Paralympics Australia Ltd has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2022, in all material respects, in accordance with:
 - i) Sections 20(1), 22(1 2), and 24(1) of the NSW Charitable Fundraising Act 1991;
 - ii) Sections 14(2) and 17 of the NSW Charitable Fundraising Regulation 2021;
 - iii) The *WA Charitable Collections Act (1946)*; and
 - iv) The *WA Charitable Collections Regulations (1947)*.
- b) The money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2022 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.



Ernst & Young



Daniel Cunningham
Partner
Sydney
26 October 2022



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Cover: Paralympic champion Curtis McGrath assists an aspiring Paralympian at PA Come and Try Day in Queensland