

Special Olympics Australia

ABN 28 050 738 728

**Annual report
for the year ended 31 December 2022**

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Annual report - 31 December 2022

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The directors present their report on Special Olympics Australia (the "Company") for the year ended 31 December 2022 and the auditor's report thereon.

Directors

The following persons held office as directors of Special Olympics Australia during the whole of the financial year and up to the date of this report:

Cameron Brownjohn
Andrew Richardson
Tanya Brown
Keiran Corry (appointed 18 January 2022)
Shaun Fraser
Michael Hogan (resigned 28 May 2022)
Anna-Louise Kassulke
Megan Lavender
Ruby Lawler
Donald McGauchie AO
Anna Mezger
Jehad Rasheed
Dr. Jill Rathborne
Andrew Scipione AO APM
Ross Smith

Objectives and strategy

The Special Olympics Global Mission is to provide year-round sports training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.

The four strategic priorities for 2022 are viable business, quality experience, expand engagement and inclusive leadership. Underpinning this is an effort to make Special Olympics Australia easy to do business with and simplifying the organisation as part of the focus on continuous improvement.

Performance measurement

Management, monitoring, and performance measurement of the objectives of the Company occur through detailed operational plans and budgetary processes that are directly linked to the entire corporate strategy of the Company. Actual performance is monitored on a monthly basis as a direct comparison to the budgeted operational plan.

Principal activities

During the year the principal continuing activities of the Company consisted of promoting and supporting people with an intellectual disability in the development of sports training and competition in accordance with the license granted by Special Olympics Inc. ("SOI").

There was no significant change in the nature of the activity of the Company during the year.

Dividends

As the Company is limited by guarantee and has no share capital, no dividends are payable.

Review of operations

The surplus of the Company for the year ended 31 December 2022 was \$160,248 (2021: surplus of \$249,183).

The Company's income was derived primarily from corporate sponsorship, donations, government and non-government grant, fundraising activities, and athlete registration fees. Costs were primarily incurred in sports delivery, competitions, national office, and state office costs in managing the operations.

Significant changes in the state of affairs

There have been no other significant changes in the state of affairs of the Company during the year.

Event since the end of the financial year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

In the current and future years, Special Olympics Australia will continue its sporting and development programs, financed by sponsorship, donations, fundraising and non-government and government grants.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

Information on directors

Cameron Brownjohn (Chair)

Cameron chairs Special Olympics Australia and serves on the Board's Finance, Audit and Risk sub-committee and Governance sub-committee. The founder and CEO of Federation Asset Management, Cameron brings to the Board his lengthy experience in financial services garnered here and overseas. He has competed in sports at state and national level and brings to the Board his passion for sport and the community as well as his fiscal skills.

Appointed on 2 May 2014 and was appointed as Chair on 30 November 2016

Andrew Richardson (Vice Chair)

Andrew has deep governance and disability sector experience, a personal connection with disability and a passionate commitment to social inclusion and human rights. He is a director of Scope Australia and a Fellow of the AICD. Andrew has been involved in Special Olympics as a parent and volunteer for 25 years. Andrew is a member of the Finance, Audit and Risk committee.

Appointed on 25 February 2020

Tanya Brown

Tanya is a Director of Hardie Finance Corporation and Entertainment Enterprises, a business comprising commercial property and hospitality venues in Western Australia. A Harvard Business School graduate, she previously chaired the Special Olympics Western Australia Fundraising Committee, a subcommittee of the Western Australia State Sports Committee. Tanya is a member of the Finance, Audit and Risk committee.

Appointed on 25 February 2020

Information on directors (continued)

Keiran Corry

Keiran has been an active member of Special Olympics for just over 20 years. As a swimmer he competed in many club, state, national and international events. He has been a mentor for young athletes at the Junior National Games and has also served in roles such as official and marshal at State events. As an athlete leader Keiran brings a common-sense approach to the expectations of athletes. During the COVID pandemic he contacted athletes via zoom and teleconference to check on mental health and safety. He always advocates for his fellow athletes and believes that the athletes voices must be heard and considered.

Appointed on 18 January 2022

Shaun Fraser

Shaun is a chartered accountant with 30 years' experience in corporate insolvency and restructuring gained here and overseas. He is a founding partner of advisory firm McGrathNicol, where he established its Perth corporate advisory service, counselling leading business on strategy, governance and performance improvements. Shaun is the Chair of the Finance, Audit and Risk committee.

Appointed on 30 May 2015

Michael Hogan

A retired public affairs consultant, Michael chairs the Nominations Committee and sits on the Finance, Audit and Risk Committee. Michael has more than 30 years' involvement in Special Olympics Australia, as his son has been a long-term Special Olympics athlete. He is a fervent supporter of Special Olympics as a pathway to greater community inclusion for athletes and their families and carers.

Appointed on 9 July 2012

Resigned on 28 May 2022

Anna-Louise Kassulke

Anna-Louise is the CEO of Gold Coast Recreation and Sport and has 30 years' experience in the sport and disability sector. She was instrumental in establishing Special Olympics Australia in Queensland and has served as State Director of Sport and Training and Head of Delegation for the Australian team at the 2007 World Games in Shanghai, 2011 World Games in Athens and 2015 World Games in Los Angeles. Anna-Louise is a member of the Nominations Committee.

Appointed on 30 October 2015

Megan Lavender

Megan has 30 years' experience as a public company director and government board member. She is a University Dean and college director and has previously held CEO and city councillor positions and served as ministerial advisor to the Australian Minister for Sport and the Sydney 2000 Games. Megan is a member of the Governance Committee.

Appointed on 29 April 2016

Ruby Lawler

A Special Olympics's Athlete Leader from the Gladstone Club and a member at her local swim club, Ruby is an active volunteer and advocate. Ruby volunteers at the RSPCA and is a Youth Ambassador with Gladstone Community Linking Agency. She is enthusiastic about representing Special Olympics athletes and having the opportunity to share ideas, athlete stories and bringing an athlete's perspective to the Board.

Appointed 04 November 2016

Information on directors (continued)

Donald McGauchie AO

Don is a farmer and businessman who has served as president of the National Farmers Federation and in several advisory positions within government. He has been on the boards of the Reserve Bank, Telstra and Nufarm and was appointed an Officer of the Order of Australia for services to agricultural industries in 2004. He chaired the Special Olympics National Games Board in 2014 and has a grandson with intellectual disability.

Appointed on 7 January 2020

Anna Mezger

Anna has 30 years' experience in human resources, learning development, facilitation and project management. She is the founder and Director of Strategic HR Solutions. She has a sister with an intellectual disability and a son who is a Special Olympics athlete at Melbourne Inner East Club. This first-hand experience motivates Anna's commitment to promoting healthy, active lifestyles for people with intellectual disabilities and endorsing Special Olympics Australia as a vehicle for achievement, community engagement and inclusion. Anna is a graduate of the AICD. Anna is the Chair of the Nominations Committee.

Appointed on 25 February 2020

Jehad Rasheed

Jehad has a promotional marketing background and has served on the Australasian Promotional Products Association Board. Dedicated to advancing education and coaching and enhancing the community, Jehad was the Chair of the 2018 Special Olympics National Games held in Adelaide and has held other senior roles within Special Olympics South Australia over the past 10 years.

Appointed on 31 July 2019

Dr. Jill Rathborne

Jill has 20 years' experience as an astronomy research scientist and exceptional expertise in quantitative and qualitative research and analysis. She helped establish the national program to improve gender equity in STEM in Australia's higher education and research sector. She is currently the Director of Research for The Inclusive Organisation Company of companies and brings to the Board her passion for both inclusion and sport. Jill is a member of the Nominations Committee.

Appointed on 25 February 2020

Andrew Scipione AO APM

Andrew was Commissioner of the NSW Police Force from 2007 until his retirement in 2017, before which he was Deputy Commissioner from 2002. Earlier in his career he held positions including Commander of the Special Technical Investigation Branch, Commander of Special Crime and Internal Affairs and Chief of Staff to the NSW Police Commissioner. He is a special expert advisor to The Special Commission of Inquiry into the Drug 'Ice'.

Appointed on 22 January 2020

Ross Smith

Ross is a finance professional who has lead finance and corporate services teams in Australia and across APAC for US multinationals. Ross passionately believes in the benefits that can be derived from sport and physical activity for everyone. Ross is actively involved in numerous community activities and has a keen interest in helping Special Olympics athletes achieve their goals, whether they be in sport or life.

Appointed on 14 September 2018

Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 31 December 2022, and the numbers of meetings attended by each director were:

	Full meetings of directors		Finance, audit and risk management committee meetings		Nominations committee meetings	
	A	B	A	B	A	B
Cameron Brownjohn	8	8	6	5	-	-
Andrew Richardson	8	8	6	6	-	-
Tanya Brown	8	8	6	6	-	-
Keiran Corry	8	6	-	-	-	-
Shaun Fraser	8	5	6	6	-	-
Michael Hogan	2	2	2	2	-	-
Anna-Louise Kassulke	8	6	-	-	2	2
Megan Lavender	8	3	-	-	-	-
Ruby Lawler	8	8	-	-	-	-
Donald McGauchie AO	8	6	-	-	-	-
Anna Mezger	8	7	-	-	2	2
Jehad Rasheed	8	7	-	-	-	-
Dr. Jill Rathborne	8	8	-	-	2	2
Andrew Scipione AO APM	8	7	-	-	-	-
Ross Smith	8	8	6	6	-	-

A = Number of meetings held during the time the director held office during the year

B = Number of meetings attended

Members' liability

The Company is registered under the *Australian Charities and Not-for-profits Commission Act 2012* as a company limited by guarantee. In the event of the Company being wound up each member is liable to contribute to the debts of the Company incurred whilst he/she was a member or within one year from his/her ceasing to be a member, or for the purposes of adjusting the rights of the contributories amongst themselves, such amount as may be required not exceeding \$100.

At 31 December 2022, the number of members of the Company was 51 (2021: 52) and the amount capable of being called up for the purposes of a winding up was \$5,100 (2021: \$5,200).

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2022 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2022. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Insurance of officers and indemnities (continued)

(b) Indemnity of auditors

The Company has agreed to indemnify their auditors, PricewaterhouseCoopers ("PwC"), to the extent permitted by law, against any claim by a third party arising from the Company's breach of its agreement with PwC. The indemnity stipulates that the Company will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60.15 of the *Australian Charities and Not-for-Profit Commission Regulations 2013* is set out on page 7.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

This report is made in accordance with a resolution of the directors.



Cameron Brownjohn
Chair



Shaun Fraser
Director

Sydney
28 April 2023



Auditor's Independence Declaration

As lead auditor for the audit of Special Olympics Australia for the year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'EPenny'.

Eliza Penny
Partner
PricewaterhouseCoopers

Sydney
28 April 2023

Special Olympics Australia

ABN 28 050 738 728

Financial report - 31 December 2022

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These financial statements are the financial statements of Special Olympics Australia as an individual entity.

The financial statements are presented in the Australian dollars, which is Special Olympics Australia's functional and presentation currency.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest dollar currency units unless otherwise stated.

Special Olympics Australia is a company limited by guarantee, incorporated and domiciled in Australia.

Its registered office is:

Special Olympics Australia
C/- Company Matters Pty Ltd
Level 12, 680 George St
Sydney NSW 2000

Its principal place of business is:

Special Olympics Australia
Quad 1, Level 2, 8 Parkview Drive
Sydney Olympic Park NSW 2127

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 28 April 2023. The directors have the power to amend and reissue the financial statements.

Special Olympics Australia
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	3	8,458,585	4,357,328
Other gains - net	4(a)	36,218	243,458
Fundraising expenses		(688,422)	(644,825)
Sports and program expenses		(6,381,992)	(2,386,965)
Programs supports and administration		(1,264,141)	(1,319,813)
Profit before income tax		160,248	249,183
Income tax benefit/(expense)		-	-
Profit for the year		160,248	249,183
Other comprehensive income			
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		160,248	249,183

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Special Olympics Australia
Statement of financial position
As at 31 December 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	5,127,550	6,650,326
Trade and other receivables	6	99,131	50,971
Other current assets	7	203,363	244,158
Total current assets		<u>5,430,044</u>	<u>6,945,455</u>
Non-current assets			
Property, plant and equipment	8	36,445	3,695
Total non-current assets		<u>36,445</u>	<u>3,695</u>
Total assets		<u>5,466,489</u>	<u>6,949,150</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	514,157	265,909
Contract liabilities	3(b)	1,517,998	3,475,784
Employee benefit obligations	10	206,150	131,593
Total current liabilities		<u>2,238,305</u>	<u>3,873,286</u>
Non-current liabilities			
Employee benefit obligations	10	31,762	39,690
Total non-current liabilities		<u>31,762</u>	<u>39,690</u>
Total liabilities		<u>2,270,067</u>	<u>3,912,976</u>
Net assets		<u>3,196,422</u>	<u>3,036,174</u>
Members' funds		<u>3,196,422</u>	<u>3,036,174</u>
Members' funds		<u>3,196,422</u>	<u>3,036,174</u>

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

Special Olympics Australia
Statement of changes in equity
For the year ended 31 December 2022

	Members' funds \$
Balance at 1 January 2021	<u>2,786,991</u>
Surplus for the year	249,183
Other comprehensive income	-
Total comprehensive income for the year	<u>249,183</u>
Balance at 31 December 2021	<u>3,036,174</u>
Balance at 1 January 2022	<u>3,036,174</u>
Surplus for the year	160,248
Other comprehensive income	-
Total comprehensive income for the year	<u>160,248</u>
Balance at 31 December 2022	<u>3,196,422</u>

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

Special Olympics Australia
Statement of cash flows
For the year ended 31 December 2022

	2022	2021
Note	\$	\$
Cash flows from operating activities		
Cash receipt from supporters and participants (inclusive of GST)	5,166,996	3,696,315
Cash paid to suppliers and employees (inclusive of GST)	(8,308,277)	(4,716,531)
Cash receipt from government and non-government grants	1,586,117	2,506,557
	(1,555,164)	1,486,341
Interest received	35,879	7,066
Net cash (outflow) inflow from operating activities	(1,519,285)	1,493,407
Cash flows from investing activities		
Payments for property, plant and equipment	(39,709)	(1,231)
Proceeds from sale of property, plant and equipment	36,218	-
Net cash outflow from investing activities	(3,491)	(1,231)
Cash flows from financing activities		
Net cash outflow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(1,522,776)	1,492,176
Cash and cash equivalents at the beginning of the financial year	6,650,326	5,158,150
Cash and cash equivalents at end of the financial year	5 5,127,550	6,650,326

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

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, and the *Australian Charities and Not-for-profits Commission Act 2012*, the *Charitable Fundraising Act 1991 (NSW)*, *Regulations and WA Charitable Collections Act 1946*, *WA Charitable Collections Regulation 1947* and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The financial statements of the Company comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(iii) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(iv) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2022:

- *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]*

The Company adopted *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Company previously complied with *Australian Accounting Standards - Reduced Disclosure Requirements* in preparing its financial statements.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) Going concern

Management has updated its assessment of the Company's ability to continue as a going concern. Management considered its ability to maintain access to funding and absorb any potential future losses and concluded, that based on its current funding arrangements, that there are no material uncertainties which would cast significant doubt on the going concern assumption.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

(c) Revenue recognition

(i) Revenue

Under AASB 15 *Revenue from contracts with customers*, a five step model is used to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service to the customer. The contracts with customers contain a single performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue when, or as, the performance obligation is satisfied.

For revenue that is not accounted for under AASB 15, the Company has applied AASB 1058 *Income of not-for-profit entities*.

Donations and sponsorship

Income from donations and sponsorship not accounted for under AASB 15 are recognised on receipt or agreed commitment.

Revenue from fundraising events and other fundraising activities are recognised on the completion of the events or on receipt.

Sports and program income

Sports and program income are recognised when the program is completed.

When programs are supported by government and non-government grants with specific performance obligations, such grants are initially recognised as a liability (unearned income), and revenue is recognised as programs are performed or conditions fulfilled.

Program support and administration

Program support and administration revenues are recognised when received or when the agreed commitment is fulfilled.

(ii) Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(iii) Other income

The Federal Australian Government's JobKeeper is recognised in the same period that salary payments are made to 31 March 2021.

The NSW Business Grant and NSW Saver Program is recognised on receipt.

(d) Income tax

The Company is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997* and accordingly no provision has been made for income tax.

1 Summary of significant accounting policies (continued)

(e) Impairment of non-financial assets

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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Company applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets received by way of donation are recognised at their fair value at the date of acquisition in the financial report.

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

- Office equipment 2 - 5 years
- Motor vehicles 2 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

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 (note 1(e)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Company policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(j) Expenses

Expenses are presented by each function of the Company namely:

(i) Fundraising expenses

Fundraising expenses are recognised when incurred, such as when the event is completed or a commitment is made.

(ii) Sports and programs expenses

Sports and program expenses are recognised when incurred, such as when the program is completed.

(iii) Program support and administration

Program support and administration expenses are recognised when incurred, such as when paid or when a commitment is made.

(iv) Employee benefit expenses

Employee benefit expenses are allocated across fundraising, sport and program support functions.

(k) 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 or 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.

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1 Summary of significant accounting policies (continued)

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(n) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

2 Critical estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

3 Revenue

	2022	2021
	\$	\$
Fundraising revenue		
Donations and sponsorships	956,836	1,216,342
Fundraising events and other fundraising activities	1,085,826	775,357
	2,042,662	1,991,699
Sports and program income		
Participation and competition income	4,064,979	691,360
Government grant	1,749,248	1,374,638
Non-government grant	348,708	119,547
	6,162,935	2,185,545
Programs support and administration		
Athletes' registration fees	209,402	170,653
Interest income	35,879	7,066
Sundry revenue	7,707	2,365
	252,988	180,084
	8,458,585	4,357,328

3 Revenue (continued)

(a) Disaggregation of revenue

The Company derives revenue from the transfer of goods and services over time and at a point in time as follow:

	2022	2021
	\$	\$
Timing of revenue recognition		
At a point in time	5,969,638	2,470,170
Over time	2,488,947	1,887,158
	8,458,585	4,357,328

(b) Liabilities related to contracts with customers

The Company has recognised the following assets and liabilities related to contracts with customers:

	2022	2021
	\$	\$
Reciprocal government and non-government grant to be acquitted	825,022	1,456,405
Other income received in advance	692,976	2,019,379
Total current contract liabilities	1,517,998	3,475,784

4 Other income and expense items

(a) Other gains

	2022	2021
	\$	\$
Net gain on disposal of property, plant and equipment	36,218	-
Government grants		
NSW Business Grant and NSW Saver Program	-	15,000
JobKeeper subsidy	-	228,458
	36,218	243,458

Refer to note 1(c)(iii) for details.

5 Cash and cash equivalents

	2022	2021
	\$	\$
Current assets		
Petty cash	530	1,818
Term deposit	3,052,137	3,845,830
Cash at bank	2,074,883	2,802,678
	5,127,550	6,650,326

Special Olympics Australia
Notes to the financial statements
31 December 2022
(continued)

6 Trade receivables

	2022	2021
	\$	\$
Trade receivables	108,872	50,971
Loss allowance	(9,741)	-
	<u>99,131</u>	<u>50,971</u>

Impairment losses on trade receivables amounting to \$9,741 were recognised as an expense during the year (2021: \$nil).

7 Other current assets

	2022	2021
	\$	\$
Prepayments related to National Games 2022	-	196,951
Prepayments - others	37,815	36,985
Prepayments related to World Games	146,132	-
Other current assets	19,416	10,222
	<u>203,363</u>	<u>244,158</u>

8 Property, plant and equipment

	Plant and equipment
	\$
At 1 January 2022	
Cost	240,217
Accumulated depreciation	<u>(236,522)</u>
Net book amount	<u>3,695</u>
Year ended 31 December 2022	
Opening net book amount	3,695
Additions	39,709
Depreciation charge	<u>(6,959)</u>
Closing net book amount	<u>36,445</u>
At 31 December 2022	
Cost	228,212
Accumulated depreciation	<u>(191,767)</u>
Net book amount	<u>36,445</u>

Depreciation expense recognised is included in “programs support and administration” in the statement of profit or loss and other comprehensive income.

9 Trade and other payables

	2022	2021
	\$	\$
Trade payables	470,219	190,909
Other payables	43,938	75,000
	514,157	265,909

The following table shows the carrying amounts of trade and other payables between financial liabilities and non-financial liabilities:

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Financial liabilities measured at amortised cost	514,157	-	514,157	265,909	-	265,909
Non-financial liabilities	-	-	-	-	-	-
	514,157	-	514,157	265,909	-	265,909

10 Employee benefit obligations

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Annual leave	143,150	-	143,150	93,673	-	93,673
Long service leave	63,000	31,762	94,762	37,920	39,690	77,610
Total employee benefit obligations	206,150	31,762	237,912	131,593	39,690	171,283

Leave obligations

The leave obligations cover the Company's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(l).

(a) Amounts recognised in profit and loss in relation to defined contribution plans

The Company has recognised expenses of \$235,533 in the current period (2021: \$202,919) in relation to defined contribution plans which are included in employee benefit expenses in the statement of profit or loss and other comprehensive income.

11 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity:

(a) PwC

(i) Audit and other assurance services

	2022	2021
	\$	\$
Audit and review of financial statements	26,000	25,000
Total remuneration for audit and other assurance services	26,000	25,000

(ii) Other services

Compilation of financial statements	6,000	-
Total remuneration for other services	6,000	-

Total remuneration of PwC Australia	32,000	25,000
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12 Contingent liabilities and contingent assets

The Company had no contingent liabilities or assets at 31 December 2022 (2021: nil).

13 Commitments

The Company had no commitments at 31 December 2022 (2021: nil).

14 Related party transactions

(a) Key management personnel compensation

	2022	2021
	\$	\$
Total key management personnel compensation	689,360	623,597

15 Information and declarations to be furnished under the Charitable Fundraising Act 1991

In accordance with the *Charitable Fundraising Act, 1991* the following information on Fundraising appeals is provided.

As in previous years, the Company has complied with the Charitable Fundraising Act with respect to expenses recognised as costs of fundraising activities. Those costs that are directly attributable to fundraising activities, and can be reliably identified as such, have been included as a cost of fundraising activities in this note. This provides a comparatively more accurate measure of the Company's fundraising performance from year to year.

(a) Details of aggregate gross income and total expenses of fundraising appeals

	2022	2021
	\$	\$
Revenue recognised from fundraising activities	2,042,662	1,991,699
Total cost from fundraising activities	(688,422)	(644,825)
Net surplus from fundraising appeals	1,354,240	1,346,874

(b) Application of funds for charitable purposes

During 2022, the Company achieved a net surplus of \$1,354,240 (2021: of \$1,346,874) from fundraising appeals and donations. The surplus was utilised to fund the deficit on sports programs and program support for providing sport opportunities for people with intellectual disabilities.

16 Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

**Special Olympics Australia
Directors' declaration
31 December 2022**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 23 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC)*, including:
 - (i) complying with Accounting Standards, the *Australian Charities and Not-for-profits Commission Regulation 2013*, *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date, 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, and
- (c) the provision of the *Charitable Fundraising Act (NSW) 1991* and the Regulations under the Act and the conditions attached to the authority have been complied with. The internal controls exercised by Special Olympics Australia are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

This declaration is made in accordance with a resolution of the directors.



Cameron Brownjohn
Chair



Shaun Fraser
Director

Sydney
28 April 2023



Independent auditor's report

To the members of Special Olympics Australia

Report on the audit of the financial report

Our qualified opinion

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 Special Olympics Australia (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2022
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Company. Management has determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Company's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

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Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

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

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 on the other information that we obtained prior to the date of this auditor's report, 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 management and the directors for the financial report

Management is 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 (ACNC) 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, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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



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

Report on the requirements of the *Charitable Fundraising Act 1991* and the *Charitable Fundraising Regulation 2021*

We have audited the financial report of Special Olympics Australia (the Company) as required by Section 24 of the *Charitable Fundraising Act 1991* (the Act). The directors of the Company are responsible for the preparation and presentation of the financial report in accordance with the Act and the *Charitable Fundraising Regulation 2021* (the Regulation). Our responsibility is to express an opinion on the financial report based on our audit.

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

- (a) The accompanying financial report of the Company and associated records have been properly kept, during the financial year ended 31 December 2022, in accordance with Sections 20(1) and 22(1-2) of the Act and Section 14 of the Regulation.
- (b) Money received as a result of fundraising appeals conducted during the financial year ended 31 December 2022 has been properly accounted for and applied in accordance with the Act and Regulation.

PricewaterhouseCoopers

PricewaterhouseCoopers

EPenny

Eliza Penny
Partner

Sydney
28 April 2023