

Special Olympics
Australia



Special Olympics Australia

ABN 28 050 738 728

Annual Financial Report
31 December 2021

Special Olympics Australia

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Special Olympics Australia

Directors' report For the year ended 31 December 2021

The directors present their report together with the financial statement of Special Olympics Australia (the Company) for the financial year ended 31 December 2021.

1. Directors

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

Cameron Brownjohn (Chairman)

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 Chairman on 30 November 2016

Andrew Richardson (Vice Chairman)

Andrew is an Australian Institute of Company Directors Fellow and the CEO of disability service provider Aruma, (formerly House with No Steps), which supports and empowers people with a disability throughout Eastern Australia. He has strong ties to Sydney South Club and has a daughter in the Special Olympics program. Andrew has served in a variety of board and leadership roles within the disability sector, where he is a respected thought-leader. He has a passionate commitment to social inclusion and human rights and a personal connection with disability. He has been associated with Special Olympics for 25 years. 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. Appointed on 25 February 2020

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

Benjamin Haack

A Special Olympics athlete, coach, volunteer and Athlete Leader, Ben brings a full spectrum of participant experience to the Board. Ben has played sport at all levels and is a member of the Special Olympics Asia Pacific (SOAP) Leadership Council, the Special Olympics International (SOI) International Advisory Committee and the SOI Research and Public Policy Committee. He co-chairs the SOAP Athlete Input Council and is a SOI Board Director. Appointed on 26 May 2012
Ceased on 29 May 2021

Special Olympics Australia

Directors' report

For the year ended 31 December 2021

1. Directors (continued)

Michael Hogan

A retired public affairs consultant, Michael chairs the Nomination 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

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 Nomination 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

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 a member of the Nomination Committee.

Appointed on 25 February 2020

Special Olympics Australia

Directors' report For the year ended 31 December 2021

1. Directors (continued)

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 Chairman 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.

Appointed on 25 February 2020

Irena Reiss

Irena is a lawyer with an extensive background in commercial dispute resolution. She is a member of the NSW Law Society Human Rights Committee and Diversity and Inclusion Committee, serves on the Board of the Council for Intellectual Disability and was an expert panellist on disability for the Law Council of Australia's 'Justice Project'. The parent of a Special Olympics athlete, Irena held previous Special Olympics Australia roles at regional committee level. She brings to the Board her legal skills with a commitment to the advancement of human rights, community sport and inclusive governance. Irena is the Chair of the Governance Committee.

Appointed on 30 May 2015

Ceased on 31 March 2021

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

Special Olympics Australia

Directors' report For the year ended 31 December 2021

2. Directors' Meetings

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

Director	Board Meetings		Finance and Audit Committee Meetings	
	<u>A</u>	<u>B</u>	<u>A</u>	<u>B</u>
Cameron Brownjohn	7	7	5	6
Andrew Richardson	6	7	6	6
Tanya Brown	7	7	6	6
Shaun Fraser	7	7	6	6
Benjamin Haack*	2	2		
Michael Hogan	7	7	6	6
Anna-Louse Kassulke	5	7		
Megan Lavender	6	7		
Ruby Lawler	6	7		
Donald McGauchie AO	6	7		
Anna Mezger	7	7		
Jehad Rasheed	7	7		
Dr Jill Rathborne	7	7		
Irena Reiss*	1	1		
Andrew Scipione	6	7		
Ross Smith	6	7	5	6

A - Number of meetings attended

B - Number of meetings held during the time the director held office during the year.

* Benjamin Haack ceased on 29 May 2021

* Irena Reiss ceased on 31 March 2021

3. Principal activities

The principal activities of the Company during the course of the financial year were 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 were no other significant changes in the nature of the activities of the Company during the year.

4. Objectives and strategies

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.

Special Olympics Australia

Directors' report For the year ended 31 December 2021

4. Objectives and strategies (continued)

The four strategic priorities for 2021 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.

5. 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.

6. Operating and financial review

The Surplus of the Company for the year ended 31 December 2021 was \$249,183 (2020 surplus of \$588,521).

Despite the second outbreak of Covid-19, the Company has been able to make progress to return to sport training safely and run several state and interclub competitions across the country.

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.

7. Significant changes in the state of affairs

No significant changes to state of affairs occurred during the year.

8. Environmental regulation

The Company's operation is not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Company during the period covered by this report.

9. Dividends

Section 254SA of the *Corporations Act 2001* prohibits Companies Limited by Guarantee to pay any dividends.

Special Olympics Australia

Directors' report For the year ended 31 December 2021

10. Events subsequent to reporting date

There is no matter or circumstances that has arisen since the end of the financial year which is not otherwise dealt with in this report or in the financial report, that has significantly affected or may significantly affect the operation of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

11. Likely developments

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.

12. Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums

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 2021 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 2021. 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 directors have not included details of the nature of the liabilities covered nor the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

13. Proceedings on behalf of the Company

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

14. Members' guarantee

The Company is a company limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. The number of members is 52 as at 31 December 2021 (2020: 46). The total amount that members of the Company are liable to contribute if the Company is wound up is \$5,200 (2020: \$4,600).

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Directors' report
For the year ended 31 December 2021

15. Auditor's independence declaration

The auditor's independence declaration is set out on page 10 and forms part of the directors' report for the financial year ended 31 December 2021. This report is made in accordance with a resolution of the directors:



Cameron Brownjohn
Chairman



Shaun Fraser
Director

Dated at Sydney 7 April 2022



Auditor's Independence Declaration

As lead auditor for the audit of Special Olympics Australia for the year ended 31 December 2021, 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', with a long horizontal flourish extending to the right.

Eliza Penny
Partner
PricewaterhouseCoopers

Sydney
7 April 2022

Special Olympics Australia

Statement of Comprehensive Income for the year ended 31 December 2021

	Note	2021 AUD	2020 AUD
Revenue			
Fundraising Revenue	4	1,991,699	1,670,061
Sports and Program Income	5	2,185,545	1,681,153
Programs Support and Administration	6	180,084	138,169
Other Income	2(i)	243,458	598,600
		<u>4,600,786</u>	<u>4,087,983</u>
Expenses			
Fundraising Expenses	7	(644,825)	(720,940)
Sports and Program Expenses		(2,386,965)	(1,530,713)
Programs Support and Administration		<u>(1,319,813)</u>	<u>(1,246,906)</u>
		<u>(4,351,603)</u>	<u>(3,498,559)</u>
Surplus before Tax		249,183	589,424
Tax Expense		<u>-</u>	<u>(903)</u>
Surplus for the Year		<u>249,183</u>	<u>588,521</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>249,183</u></u>	<u><u>588,521</u></u>

The notes on pages 15 to 27 are an integral part of these financial statements.

Special Olympics Australia

Statement of Financial Position As at 31 December 2021

	Note	2021 AUD	2020 AUD
Assets			
Cash and cash equivalents	9	6,650,326	5,158,150
Trade and other receivables	10	50,971	110,802
Other Assets		10,222	6,656
Prepayments	13	<u>233,936</u>	<u>47,118</u>
Total Current Assets		<u>6,945,455</u>	<u>5,322,726</u>
Property, Plant and Equipment	11	3,695	18,244
Right-of-use assets	12	-	109,570
Prepayments	13	<u>-</u>	<u>75,951</u>
Total Non-current Assets		<u>3,695</u>	<u>203,765</u>
Total Assets		<u>6,949,150</u>	<u>5,526,491</u>
Liabilities			
Trade and Other Payables	14	265,909	238,677
Unearned Income	15	3,475,784	2,254,400
Lease liabilities	12	-	109,631
Employee Benefits	16	<u>131,593</u>	<u>89,895</u>
Total Current Liabilities		<u>3,873,286</u>	<u>2,692,603</u>
Employee Benefits	16	<u>39,690</u>	<u>46,897</u>
Total Non-current Liabilities		<u>39,690</u>	<u>46,897</u>
Total Liabilities		<u>3,912,976</u>	<u>2,739,500</u>
Net Assets		<u>3,036,174</u>	<u>2,786,991</u>
Members' Funds		<u>3,036,174</u>	<u>2,786,991</u>
Members' Funds		<u>3,036,174</u>	<u>2,786,991</u>

The notes on pages 15 to 27 are an integral part of these financial statements.

Special Olympics Australia

Statement of Changes in Members' Funds for the year ended 31 December 2021

	Members' Funds AUD
Balance as at 1 January 2020	<u>2,198,470</u>
Comprehensive Income for the Year	
Surplus for the year	588,521
Other comprehensive income	<u>-</u>
Total Comprehensive Income for the Year	<u>588,521</u>
Balance as at 31 December 2020	<u><u>2,786,991</u></u>
Balance as at 1 January 2021	<u>2,786,991</u>
Comprehensive Income for the Year	
Surplus for the year	249,183
Other comprehensive income	<u>-</u>
Total Comprehensive Income for the Year	<u>249,183</u>
Balance as at 31 December 2021	<u><u>3,036,174</u></u>

The notes on pages 15 to 27 are an integral part of these financial statements.

Special Olympics Australia

Statement of Cash Flows for the year ended 31 December 2021

	Note	2021 AUD	2020 AUD
Cash flows from Operating Activities			
Cash receipts from supporters and participants		3,696,315	2,663,745
Cash receipts from government and non-government grants		2,506,557	1,907,112
Cash paid to suppliers and employees		<u>(4,716,531)</u>	<u>(3,380,724)</u>
Cash generated from Operations		1,486,341	1,190,133
Interest received		<u>7,066</u>	<u>23,596</u>
Net Cash from Operating Activities		<u>1,493,407</u>	<u>1,213,729</u>
Cash flows from Investing Activities			
Acquisition of property, plant and equipment		<u>(1,231)</u>	<u>(3,100)</u>
Net Cash used in Investing Activities		<u>(1,231)</u>	<u>(3,100)</u>
Net increase in Cash and Cash Equivalents		1,492,176	1,210,629
Cash and Cash Equivalents at beginning of year		<u>5,158,150</u>	<u>3,947,521</u>
Cash and Cash Equivalents at end of year	9	<u><u>6,650,326</u></u>	<u><u>5,158,150</u></u>

The notes on pages 15 to 27 are an integral part of these financial statements.

Special Olympics Australia

Notes to the accounts

For the year ended 31 December 2021

1. Reporting entity

The financial statements for the year ended 31 December 2021 comprised of the financial statements of Special Olympics Australia (the Company) only. Whilst the financial statements for the year ended 31 December 2020 presented as a comparative in this report comprised of the consolidated financial statement of the Company and its controlled entity, Special Olympics Soar & Roar Festival Pty Ltd (the Subsidiary).

The Subsidiary ceased its operations on 22 October 2020 and was deregistered by the Australian Securities and Investments Commission on 6 January 2021.

Special Olympics Australia is a company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is C/- Company Matters Pty Ltd, Level 12, 680 George St, Sydney NSW 2000.

The Company is a not-for-profit entity and is primarily involved in promoting and supporting members in the development of sports training and competition for persons with an intellectual disability in accordance with the license granted by Special Olympics Inc.

2. Basis of accounting

(a) Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Fundraising (NSW) Act 1991 and Regulations and WA Charitable Collections Act 1946 and WA Charitable Collections Regulation 1947. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 7 April 2022.

(b) Basis of measurement

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

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

2. Basis of accounting (continued)

(e) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

(f) Principles of consolidation

Prior to 1 January 2021, the Company prepared consolidated financial statements (Refer to Note 1 above). The consolidated financial statements incorporate the assets and liabilities and the results of the Company and its subsidiary.

Special Olympics Australia and its subsidiaries together are referred to in these financial statements as the 'Company'.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Company are eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Company loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

2. Basis of accounting (continued)

(g) Revenue Recognition

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 AASB15, the company has applied AASB 1058 *Income of not-for-profit entities* (Refer to Note 3 (e))

(h) Lease

The Company as a lessee

The Company recognises a lease liability and a right-of-use asset for all lease arrangements in which it is a lessee, except for short-term leases (being leases with a lease term of less than 12 months) and leases of low value items. The lease liability is initially measured as the present value of future lease payments. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line-basis. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(i) 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.

(j) 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.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Cash and Cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand, cash in banks and deposit held at call with bank with original maturities of three months or less.

(b) Trade and other receivables

Trade and other receivables are recognised at fair value less provision for impairment.

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

(c) Property, plant and Equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) *Subsequent costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iv) *Depreciation*

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

3. Significant accounting policies (continued)

(c) Property, plant and Equipment (continued)

(iv) Depreciation (continued)

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

Office equipment	2-5 years
Vehicles	2-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Employee benefits

(i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(e) Revenue and expenses

Revenue

Revenue is presented by each function of the Company namely:

Fundraising revenue

(i) Donations and sponsorship

Revenue from donations and sponsorship are recognised on receipt or agreed commitment.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

3. Significant accounting policies (continued)

(e) Revenue and expenses

Fundraising Revenue (continued)

(ii) *Fundraising events and other fundraising activities*

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.

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.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

3. Significant accounting policies (continued)

(f) Lease

The rental contract for principal place of business on Level 3, 3 Richardson Place, North Ryde is for a three-year period from 30 November 2017 to 30 November 2020 then extended to 30 November 2021. The rental contract was terminated, and the Company has not yet signed any commercial lease agreement by 31 December 2021.

Assets and liabilities arising from office property leases are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payment included in the lease contracts.

The lease payments are discounted using an incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability.

Right-of-use assets are depreciated over the remaining lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value are recognised on a straight line basis as expense in profit or loss.

Extension and terminations options

There are no extension options available under the current leases.

Amortisation

The Right-of-use asset is amortised over the remaining life of the underlying lease. The lease termination date was 30 November 2021.

(g) Income tax

The Company is exempt from income tax under section 50-5 of the Income Tax assessment Act 1997. However, should the activities change from its dominant purpose the Australian Taxation Office may review the situation.

Prior to 1 January 2021, the Subsidiary, being a profit-making company was liable to pay tax. The tax expense was recognized in profit and loss. There is no such tax expense recognized in the 2021 profit and loss due to the Subsidiary has ceased operation on 22 October 2020 and was deregistered on 6 January 2021 (Refer to Note 1 above)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

4. Fundraising Revenue

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Donations and sponsorships	1,216,342	1,161,411
Fundraising events and other fundraising activities	775,357	508,650
	<u>1,991,699</u>	<u>1,670,061</u>

5. Sports and Program Income

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Participation and competition income	691,360	213,638
Government grant	1,374,638	1,337,987
Non-government grant	119,547	129,528
	<u>2,185,545</u>	<u>1,681,153</u>

6. Programs Support and Administration

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Athletes' registration fees	170,653	101,041
Interest income	7,066	23,596
Sundry income	2,365	13,532
	<u>180,084</u>	<u>138,169</u>

7. Fundraising Expenses

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Fundraising events and other fundraising activities	294,783	277,059
Fundraising expenses – employment costs	350,042	443,881
	<u>644,825</u>	<u>720,940</u>

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

8. Employee Benefit Expenses

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Wages and salaries	1,998,690	1,734,185
Superannuation	155,069	119,536
Contractors and other employee expenses	101,624	178,886
	<u>2,255,383</u>	<u>2,032,607</u>

9. Cash and Cash Equivalents

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Cash at bank	2,802,678	2,111,925
Term deposit	3,845,830	3,043,791
Petty cash	1,818	2,434
Cash and Cash Equivalents	<u>6,650,326</u>	<u>5,158,150</u>

10. Trade and other receivables

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Current		
Receivables	50,971	151,412
Provision for impairment	-	(40,610)
	<u>50,971</u>	<u>110,802</u>

The movement for the provision for impairment of receivables during the year was as follows:

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Balance at 1 January	40,610	57,110
Provision (released)/recognised during the year	<u>(40,610)</u>	<u>(16,500)</u>
Balance at 31 December	<u>-</u>	<u>40,610</u>

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

11. Property, Plant and Equipment

	<i>AUD</i>
Cost	
Balance at 31 December 2020	238,986
Additions	<u>1,231</u>
Balance at 31 December 2021	<u><u>240,217</u></u>
Accumulated Depreciation	
Balance at 31 December 2020	220,742
Depreciation for the Year	<u>15,780</u>
Balance at 31 December 2021	<u><u>236,522</u></u>
Carrying Amounts	
At 31 December 2020	<u>18,244</u>
At 31 December 2021	<u><u>3,695</u></u>

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

12. Leases

(i) Amounts recognised in the statement of financial position

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Right-of-use assets		
Office property leases	-	<u>109,570</u>
	<u>-</u>	<u>109,570</u>
Lease liabilities		
Current	-	<u>109,631</u>
	<u>-</u>	<u><u>109,631</u></u>

The rental contract was terminated on 30 November 2021 and the Company has not yet signed any commercial lease agreement by 31 December 2021.

(ii) Amounts recognised in the statement of comprehensive income as programs support and administration

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Depreciation charge of right-of-use assets	-	109,378
Interest expense	61	1,767
Expense related to short-term leases	<u>33,823</u>	<u>24,196</u>
	<u><u>33,884</u></u>	<u><u>135,341</u></u>

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

13. Prepayments

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Current		
Prepayments related to National Games 2022	196,951	-
Prepayments - Other	36,985	47,118
	<u>233,936</u>	<u>47,118</u>
Non-Current		
Prepayments related to National Games 2022	-	75,951
	<u>-</u>	<u>75,951</u>

14. Trade and Other Payables

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Current		
Trade and Other Payables	265,909	238,677
	<u>265,909</u>	<u>238,677</u>

15. Unearned Income

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Current		
Reciprocal government and non-government Grants to be acquitted	1,456,405	888,639
Other income received in advance	2,019,379	1,365,761
	<u>3,475,784</u>	<u>2,254,400</u>

16. Employee Benefits

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Current		
Liability for Annual Leave	93,673	69,457
Liability for Long Service Leave	37,920	20,438
	<u>131,593</u>	<u>89,895</u>
Non-Current		
Liability for Long Service Leave	39,690	46,897
	<u>39,690</u>	<u>46,897</u>

Special Olympics Australia

Notes to the accounts

For the year ended 31 December 2021

17. Related Parties

a) Key Management Personnel Compensation

Key management personnel (“KMP”) are defined as those persons having authority and responsibility for planning, managing and controlling the activities of the Company and include the Chief Executive Officer and certain other senior executives.

The totals of remuneration of the KMP of the Company are as follows:

	2021	2020
	<i>AUD</i>	<i>AUD</i>
Short Term Employee Benefits	551,504	484,008
Post-Employment Benefits	48,151	38,928
Other Long Term Benefits	23,942	25,584
Total KMP Remuneration	623,597	548,520

Short Term Employee Benefits

Short term employee benefits include salaries and benefits paid to the members of the executive team comprising the KMP. Non- executive directors are volunteers and did not receive any fee, salary, fringe benefits or cash bonuses.

Post-employment benefits

Post-employment benefits are the cost of superannuation contributions made during the year.

Other Long-Term Benefits

Other long-term benefits represent long service leave accrued during the year. There were no long-term annual leave benefits recognised during the year.

b) Other Related Party Transactions

Special Olympics Soar and Roar Festival Pty Ltd

On 23 May 2016, Special Olympics Australia acquired 100% of the shares and voting interests in Special Olympics Soar and Roar Festival Pty Ltd which was a special purpose vehicle established to operate the Soar and Roar event (Formerly known as Dream Ride event).

On 22 October 2020, the Special Olympics Soar & Roar Festival Pty Ltd ceased operations and the Directors initiated the deregistration process of the subsidiary. The company was deregistered by the Australian Securities and Investments Commission on 6 January 2021.

Special Olympics Australia

Notes to the accounts For the year ended 31 December 2021

18. Fundraising Activities

Below is additional financial information for the year ended 31 December 2021 furnished under the Charitable Fundraising Act (NSW) 1991 and the Office of Liquor, Gaming and Racing Fundraising Authority conditions.

(a) Details of Aggregate Gross Income and Total expenses of Fundraising Appeals

	<u>2021</u>	<u>2020</u>
	<i>AUD</i>	<i>AUD</i>
Revenue recognised from Fundraising Activities	1,991,699	1,670,061
Total Cost from Fundraising Activities	<u>(644,825)</u>	<u>(720,940)</u>
Net Surplus from Fundraising Appeals	<u>1,346,874</u>	<u>949,121</u>

(b) Application of Funds for Charitable Purposes

During 2021, the Company achieved a net surplus of \$1,346,874 (2020: of \$949,121) 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.

19. Events after the Reporting Date

There is no matter or circumstances that has arisen since the end of the financial year which is not otherwise dealt with in this report or in the financial report, that has significantly affected or may significantly affect the operation of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

Special Olympics Australia

Directors' declaration For the year ended 31 December 2021

In the opinion of the directors of Special Olympics Australia (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 11 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view in all respects of the Company's financial position as at 31 December 2021 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) 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.

Signed in accordance with a resolution of directors.



Cameron Brownjohn
Chairman



Shaun Fraser
Director

Dated at Sydney 7 April 2022



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 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in members' funds for the year then ended
- the statement of cash flows 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. The directors have 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 financial report for the year ended 31 December 2021, 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 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 - Reduced Disclosure Requirements 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, the directors are 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 the directors either intend to liquidate the Company 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 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 2015*

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 2015* (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 2021, in accordance with Sections 20(1) and 22(1-2) of the Act and Sections 10(6) and 11 of the Regulation.
- b. Money received as a result of fundraising appeals conducted during the financial year ended 31 December 2021 has been properly accounted for and applied in accordance with the Act and Regulation.

PricewaterhouseCoopers

PricewaterhouseCoopers

EPenny

Eliza Penny
Partner

Sydney
7 April 2022