

2022/2023

# ANNUAL REPORT

**Arthritis**  
AUSTRALIAN CAPITAL TERRITORY  
[www.arthritisact.org.au](http://www.arthritisact.org.au)

**pain**  
support



2022/2023 has finally seen a shift back to more normal functioning in our community. Whilst there is still warranted fear in the community of the possible effects of COVID, of new waves and genotypes of the virus, more and more of the community have learnt to adapt and are venturing out once again. It is good to see people once again meeting face to face, enjoying physical company, fully living again.

Arthritis, Pain Support & ME/CFS ACT has continued to offer many of its programs virtually to assist those that find it hard to leave the home for various reasons but on the whole the majority of the programs are back face to face. We have seen huge growth in demand for programs and a growing diversity of people and reasons for seeking the supports we offer. It is good to see such a wide usership from the community. It is good to see what we do is obviously hitting the mark with the community need.

I will be retiring from my role on the Board at the AGM. I have been involved with the Board since 2015 and I have been proud to be part of a team that has grown Arthritis ACT into such a vibrant organisation that practically supports the people it seeks to help. Board's are extremely important to community organisations, they can't exist without them. Board members must also remember they have the ability to make or break an organisation. Board members must listen to their staff and to the community they represent, and must set strategies in conjunction with staff and members, not simply for them. I know I leave this Board in a good place and I encourage it to continue to listen to the membership and our wonderful staffing group to be guided in its work.

As always, I would like to thank Bec Davey – CEO, for her foresight and leadership so that Arthritis ACT can continue to grow and meet the needs of the service users and members. It never seems to get easier in this sector, and Bec and the team are able to adapt and mould so effortlessly (it seems) to respond to the needs of the community. I also would like to take the opportunity to thank the staff for their commitment to excellence and our small band of volunteers for the work they do every day for our community.

Thank you again to the Board for your expertise and commitment, it has been a pleasure to work with you all. I pay in particular special thanks to Margaret who also is retiring this year, especially for all her contribution in the area of Pain Support.

Carol Mead  
Board Chair

## FROM THE CEO

2022/2023 has finally seen some stabilisation in the community in which we live, work and seek care. After years of Pandemic the community is still hurting, and many are still afraid, but as this year draws to a close it's starting to feel more 'normal' again, if a somewhat new normal.

For those of us in the health and wellbeing sector, we do what we do because we love helping people. It's pure passion. For us, seeing clients journey from their first interaction with us when they are overwhelmed with pain and/or fatigue, often a new diagnosis (or the end of the road in trying to get a diagnosis) and seeing them change and start to smile after a period of time. We have had people engaged with us for years who still tell the story of being literally carried in to the pool and driven in to an appointment, and with hard work and perseverance, and, we hope, our encouragement, find joy in their lives again. They find mobility, they find connections with others who understand, they learn ways of coping. For many of our conditions there is no cure, but there are many ways to learn how to cope better and how to approach life from a different angle. This is why we do what we do.

This year we have seen an influx of those needing our services, in particular hydrotherapy. We continue to work in a system that has inadequate planning for non-medical support of people with chronic pain conditions of any type, and hydrotherapy stands out in particular. For every position we have available especially in the northside, we have 3 people wanting the spot. Hydrotherapy is rationed and it shouldn't be. We also urge Governments to better fund allied health support through the medicare system - people don't stop having pain after 5 visits to an allied health professional a year. The outpatients system is also insufficient and we need to be more pragmatic in our health planning as to where the best value for ongoing care of people with chronic conditions of any type comes from. It is the community.

I want express a huge thank you to our staffing team including our loyal volunteers. This year we've shared in heartbreaks as we've seen a number of deaths in clients who have been very near and dear to our hearts. The clients are not just clients, they are our friends. They become parts of our families, of us. Our staffing group love our clients. They care, they cry, they have sleepless nights because of the distress they share with our clients. The Canberra Region community is fortunate to have every single one of them.

I'd also like to say a special thanks to the Board, and in particular Carol our longstanding Chair and Margaret the rock behind Pain Support ACT. Carol in particular came on to the Board at a very difficult time and her guidance and perseverance has enabled us to grow this organisation into what it is today. Thank you.

Rebecca Davey

# Hydrotherapy

Hydrotherapy remains a constant issue in the ACT. There remains an inadequate level of infrastructure both private and public in the ACT to service the needs of a growing and ageing community. Whilst the community has finally got financial and building commitment to the new hydrotherapy pool in Tuggeranong there is still no commitment to how this is going to operate and what level of low cost access there will be to this pool. It is also disappointing to hear rhetoric that this pool is going to solve to the problem of hydrotherapy across Canberra. We heard similar rhetoric over the building of the UCH pool and as we have proven, that facility is totally inadequate to service even the level demand that exists. We have called on Government to work with us and the private providers to properly review and set a strategy for hydrotherapy that meets the needs of our city as it grows. Hopefully this will be taken seriously as an election looms in 2024.

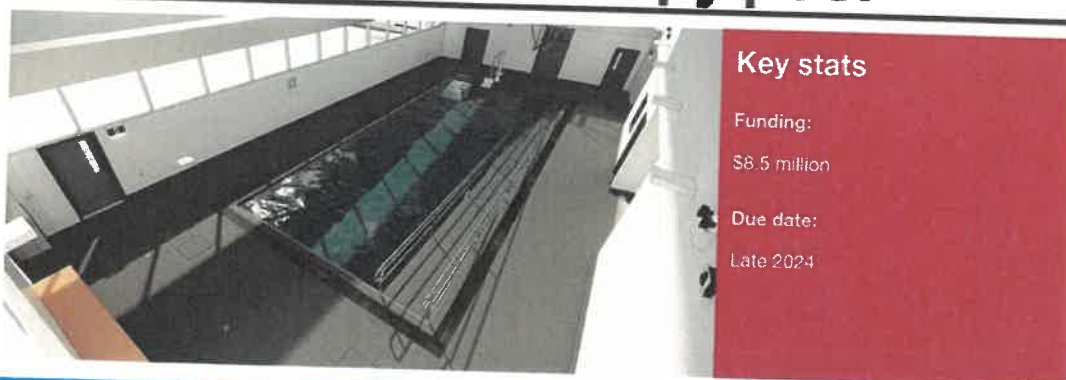
This financial year, Arthritis ACT has provided:

- 2276 self lead hydrotherapy sessions to 18,477 client visits.
- 151 instructor lead hydrotherapy sessions to 1,094 client visits
- over 1000 1:1 hydrotherapy sessions to people on the NDIS, My Aged Care and DVA as well as many who self-fund this support.

Demand for our hydrotherapy sessions has outstripped supply by 3:1 and during this financial year we have ceased advertising hydrotherapy due to our inability to maintain supply. There have been more than 10,000 individual bookings we have been unable to meet the demand for during this year. People come to us because our hydrotherapy service is affordable. Whilst there are other private providers in the marketplace, the difference is the price point. If you need a therapy 3, 5 even 7 days a week, you cannot afford to be paying \$25-125 a session which is the pricing range in the for-profit sector. This is why it is essential that Government supports this essential service to ensure appropriate health care for the most vulnerable ACT residents.

Arthritis, Pain Support & ME/CFS ACT calls on the ACT Government to expedite the construction of a full time specialist hydrotherapy pool, and to enter into true commitments to improve access to services on the Northside. The demand for increased services on the Northside is now currently outstripping supply by 4:1 and this demand only continues to grow.

## Southside Hydrotherapy pool



### Key stats

Funding:  
\$8.5 million

Due date:  
Late 2024

# NDIS Supports

When the NDIS was first announced it was seen as a win for people living with disability, to have choice and control over their futures. It has been well documented how this has not panned out as planned. For people living with musculoskeletal disease that leads to permanent disability, to people living with long term chronic pain who have exhausted all medical interventions, to people living with long term ME/CFS who have no clear picture of a future without ME/CFS, dealing with the NDIS is a dispiriting, and often emotionally destructive process. It doesn't even seem to matter whether an individual has received supports from the NDIS or is still fighting to be accepted, it is an exhausting process of proving your disability, proving your needs for supports, proving that you are not 'routing' the system, and it never seems to end.

Arthritis, Pain Support & ME/CFS ACT has stepped in to assist our members to gain access to a low cost OT functional assessment to assist in gaining access to the NDIS. We work with medical teams to get the letters required to prove a person's disability. We have now also stepped in to provide support co-ordination to many of our clients as so many of the support co-ordinators out in the community do not understand the unique effect of the disability our members live with. We didn't do this because we thought we could make an income stream, we did this because people needed support. We also work with plan managers, LAC's and the NDIA itself to continuously educate staff in those areas as to the impact and ongoing decline in ability people living with arthritis, chronic pain and ME/CFS live with. We call on all levels of Government to improve the NDIS processes to make them enabling to people living with permanent disability, not this current emotionally destroying process that rewards the person who can afford to fund the best reports to allow them to gain the best funded supports.

## Strength & Balance



Our program was initially funded through the Health Promotions program for three years, and then on the basis of the outcomes of this Arthritis Australia had it funded Australia wide for 2 years through Sports Australia. This financial year the program has had just the smallest amount of funding through SHOUT and a garden project they won funding for. It would be good for programs such as this to gain ongoing funding. This program has outstanding outcomes. No one that attends this program has gone on to have a fractured neck of femur, an outcome that is expensive for the health system and is usually life limiting. Our clients, many of whom are socially isolated, find 'their people' and form friendships that they carry back into the rest of their lives. We need Governments to make a commitment to continuously funding programs that they fund as pilots and are then evaluated as part of the initial funding as being of such good value.



# Juvenile Arthritis

The ACT continues to be poorly serviced for children with musculoskeletal conditions and pain. At the end of the financial year we have finally heard 'on the grapevine' that a Visiting Medical Officer arrangement is being planned for by Canberra Health Services to bring in interstate paediatric trained rheumatologists. Whilst this is yet to be confirmed or commenced we do welcome the planning that is finally being put into this service.

This financial year we have also been fortunate enough to receive funding through Arthritis Australia to undertake a series of Day Camps for children and families affected by Juvenile Arthritis. We have undertaken 3 such events and the whilst these have been fun, the feedback from the community is a greater focus on establishing proper medical care in the ACT region would provide the community with greater supports than a series of Day Camps. The ACT did manage to gain over 100 attendees at these camps which is indicative of the level of need for support in this area in this region. Attendees found it was the chance to just meet one another that made the camps worthwhile. When your health care is all held interstate it reduces your chances to meet and share with others who have been walking the same path.

In addition to the Family Day Camps Arthritis ACT has been involved in the planning and implementation of the Paediatric Liaison Service (PLANS), providing better supports for those that do need to go interstate for their health care. Whilst still not the same as receiving care 'at home', PLANS at least provides a conduit for those who need to bridge the various health systems in the ACT and interstate to improve both communication between care providers and provide a more seamless experience for our kids and families affected by these conditions.



## FAMILY DAY CAMP

For families with a child affected by chronic pain, fatigue or associated auto immune conditions.

**Come and Join us**

Labour Day weekend, Sunday 2nd October 2022.  
Canberra Day weekend Sunday 12th March 2023

- For ACT Regional locals. Includes activity plans for the entire long weekend.
- Travel scholarships available for interstate attendees (conditions apply).

**Why join us?**

- Programs specifically for parents / primary care givers, siblings and effected children.
- Parent Date break.
- Support in helping your child transition to adulthood and self management.
- Ideas to assist siblings with their feelings.
- Meet other kids with a similar life experience.

**Arthritis**  
AUSTRALIAN CAPITAL TERRITORY

**pain support**

**MEL CFS**

**build a better me**

[www.arthritisact.org.au](http://www.arthritisact.org.au) | e: [info@arthritisact.org.au](mailto:info@arthritisact.org.au)

Enquire or book today  
1800 011 041

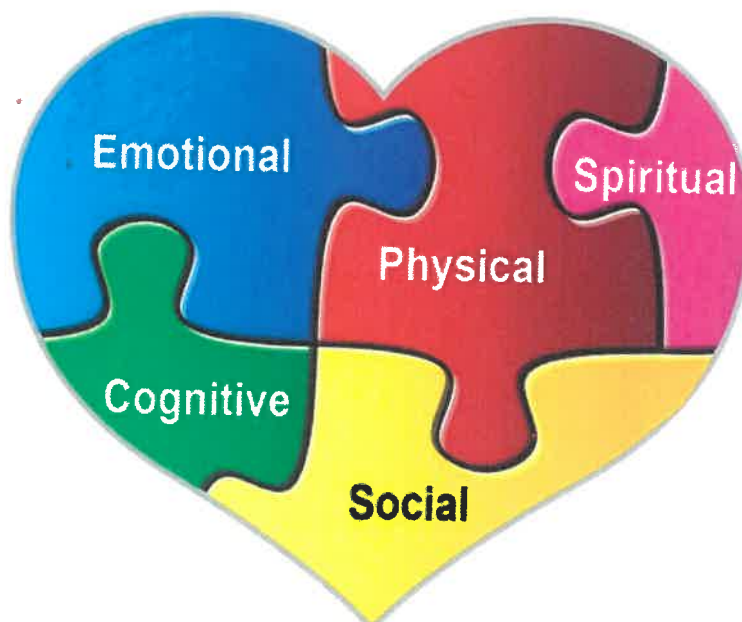
# Pain Support

Pain Support continues to an integral part of our Foundation. Realistically most people come to us because they have chronic pain and they need support to deal with it. Supported by a reference committee and a co-opted position on the Board, the Pain Support work has become a focus of all the work undertaken at Build a Better Me.

People who live with chronic pain but with no absolute diagnosis are often the most overlooked people in all our community support systems. It is difficult for this group of people to gain access to the NDIS and DSP, it is often difficult for those that have had to leave the workforce to gain access to their superannuation and/or private salary insurances due to the unclear and misunderstood nature of chronic pain. It often takes a person years to get adequate supports, even to gain appropriate medical practitioner support. Chronic pain is complex, it involves the social, emotional, physical, spiritual and cognitive aspects of our lives. People become isolated, they loose relationships not just with the outside world, but often within their own families as both they and their loved ones struggle to understand what is happening.

We attempt to meet a person where they are at the point in time that we meet them. Our nurses, our allied health team, even our peer members, will rally around the individual, providing them with practical supports, a listening ear, friendship, a place to download that is safe. We also run a regular schedule of community talks to bring together not just experts in certain fields to 'teach us' what to do to get a better hold on chronic pain, but also to share experiences and opportunities. Sometimes the best supports are other people who have gone through similar experiences who can help support peers as they explore the best possible solutions for themselves.

Below is an illustration of how pain can affect the individual.



# ME/CFS ACT

ME/CFS ACT officially united with Arthritis and Pain Support ACT in November 2020 and it has gone from strength to strength from there. With a broader staff base learning so much more about assisting those living with ME/CFS and the ME/CFS community having a much broader suite of programs they can access both because we have reduced the amount of our funding that needs to go out on straight administrative requirements and because we have a larger pool of resources we can now utilise. We are now also providing services to many living with Long Covid.

This financial year we've had 3 Self Help Course which Robyn continues to update and adapt according to the changing needs of the community and the world in which we live. We now have 4 online support groups that meet each week as well as fortnightly face to face catch ups for those that can and want to get out. We've also been able to assist many members to access the NDIS, DSP and specialty medical support. With the support of one of our student placements we were also able to hold our inaugural ME/CFS Symposium to celebrate World ME Day on 12 May.

ME/CFS ACT works closely with Emerge, the Peak Body for ME/CFS in Australia, and in particular we have been working with Emerge to circulate the information around GP and Allied Health Professionals on the ThinkGP website and the new pathway program that is being pushed through GP networks. The beauty of this education package is registered health providers receive training points which is required for their ongoing registration for completing the program, but the program also gives a very good overview of what to expect and how to diagnose ME/CFS. It is also a really good resource for anyone in the community - you don't have to be an allied health or medical to undertake this training and it will provide anyone with a really good summary of the issues that people living with and people caring for people living with ME/CFS confront every single day.





**UNIVERSITY OF  
CANBERRA**

# Health Practitioner Training/Research

Arthritis, Pain Support & ME/CFS ACT have undertaken joint research projects with various universities across Australia in the areas of Rheumatology and ME/CFS during the year. In addition, we have worked with Allied Health students from the University of Canberra to provide clinical placements in OT and Exercise Physiology.

## Thank You

Thank you to our Board for providing another year of oversight of this wonderful organisation. Without you we literally cannot exist.

Carol Mead: Chair Hugh Watson: Secretary & Deputy Chair Adam Cooper: Treasurer  
Alistair Nitz, Margaret McCullough, Rick Lord, Libby Steeper, Katy Jones

Thank you also to our amazing staff team who work day and night to bring the best possible services to our community.

Erica Roughton (Dietition), Rohit Bahtra (OT), Sophie Bullock (EP), Blake Dean (EP), Gwen Estigoy (EP), Holly Hazelwood (EP), Dorothy Johnson (EP), Natasha Perry (ES), Rhondda Bell (Art Therapist), Jacqui Couldrick (Physio), Linda Clee (Physio), Emil Therbio (Physio), Linda Spurrier (RN), Robyn Harris (ME/CFS), Natalie Bice, Leane Watt, Grace Davey, Will Browne, Ben Dichiera, Conor Pratt, Jenette Watson, Lindy Hedgecoe, Holly Hazelwood, Amy Cooper, Tarnee Dymock, Britany Stevens and Kaiden Edye

Finally, thank you to all who have made donations to organisation to allow us to meet the needs of those cannot afford to pay for support and to run programs at a lower cost to allow people to attend more therapy more often. In particular a special thank you to the Shakespeare Family Trust for their donation which makes a huge difference to so many people in our organisation and to the Snow Foundation who provide one off grants to individuals who our OT identifies as needing particular equipment but the individual has no capacity to purchase this. This makes a lasting difference to the lives of so many. Thank you.

**Arthritis**  
AUSTRALIAN CAPITAL TERRITORY  
[www.arthritisact.org.au](http://www.arthritisact.org.au)

**pain**  
support



# Treasurer's Report

Arthritis, Pain Support & ME/CFS ACT has benefitted this year from a world that is reopening to normal business following the long years of lock downs and consumer fear. The years of the Pandemic have left many charities in a difficult situation and we've seen many close and if not close, reappraise what they can now offer. As a Board we have aimed to reduce our reliance on Government funding, however when you get hit with a global catastrophe, the need for supports are imperative if you are going to be able to continue to provide services and supports to those that need you the most.

We firmly believe in what we do. We are not trying to operate a 'for profit' business. There are plenty of them in the market that have their place for those that have the means to access them. We purposely keep our prices as low as possible because there needs to be an option for people to access quality allied health services and we know that outpatients options are limited and attract a long waiting times. Our bottom line this year is not strong but it is heading in the right direction. The work we have undertaken over the past years and continue to undertake is strong. Like all other small businesses in the present climate, we are now working hard to rebuild our financial position whilst providing the very best services we can to the Canberra community.

It should be noted that changes to financial reporting practices have a continuing material affect on the outcome of the books at the end of the financial year. The change in the accounting standard means that we are now required to reflect the full value of the lease and right of use to the organisation. This means the rent reflected in the statement of profit and loss is greater than the actual cash flow represented

Finally, I would like to thank the regular donors to our organisation. The Shakespeare Family Trust have continued to support our community and these funds have a significant impact on the work we are able to do with people who cannot afford services. We'd also like to recognise the assistance the Snow Foundation have made directly to many of our clients on referral from our OT to access equipment they need to improve their quality of life. Thank you too, to the support of Nexis Accountants and to our Auditors Hardwickes for their assistance throughout the year. I commend the annual financial reports to our membership

Adam Cooper

# **Arthritis Foundation of the ACT Inc**

**ABN: 25 538 506 729**

## **Financial Statements**

**For the Year Ended 30 June 2023**

# **Arthritis Foundation of the ACT Inc**

ABN: 26 538 506 729

## **Contents**

**For the Year Ended 30 June 2023**

	<b>Page</b>
<b>Financial Statements</b>	
Committee's Report	
Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Responsible Persons' Declaration	7
Independent Audit Report	25
	26

# Arthritis Foundation of the ACT Inc

ABN: 25 538 506 729

## Committee's Report

For the Year Ended 30 June 2023

The directors present their report on Arthritis Foundation of the ACT Inc for the financial year ended 30 June 2023.

### General information

#### Directors

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

Names	Position	Appointed/Resigned
Carol Mead	Chair	
Adam Cooper	Treasurer	
Hugh Watson	Deputy Chair/Secretary	
Libby Steeper	Ordinary Member	
Margaret McCulloch	Ordinary Member	
Alistair Nitz	Co-opted Pain Support Member	
Richard Lord	Ordinary Member	
Katy Jones	Ordinary Member	

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

#### Principal activities

The principal activity of the Association during the financial year was to provide support services to people with arthritis, chronic pain conditions and chronic fatiguing conditions.

#### Significant changes

No significant change in the nature of these activities occurred during the year.

#### Operating result

The loss of the Association for the financial year amounted to \$ 36,109(2022: \$ (238,627)).

#### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Signed in accordance with a resolution of the Members of the Committee:

Committee member: 

Committee member: 

Dated

**Arthritis Foundation of the ACT Inc**

ABN: 26 638 506 729

**Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Arthritis Foundation of the ACT Inc**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwicks  
Chartered Accountants

Bhaumik Bumia CA  
Partner

Dated:

Canberra

**Arthritis Foundation of the ACT Inc**

ABN: 25 638 606 729

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue and other income			
Counselling	4	1,856,133	1,408,754
Course and venue expenses		(260)	(480)
Depreciation - plant and equipment		(1,953)	(2,910)
Depreciation - Right-to-use asset	7(a)	(9,121)	(13,544)
Employee benefits expense	8	(43,716)	(43,716)
Finance costs		(1,408,673)	(1,293,339)
Marketing and promotional expenses	8	(5,144)	(9,471)
Other expenses		(47,706)	(52,394)
Professional fees		(128,005)	(88,555)
Rent expense		(30,126)	(27,514)
Warm water expenses		(42,774)	(31,476)
Yoga expenses		(95,035)	(74,352)
		(7,511)	(9,630)
<b>(Loss) before income tax</b>		<b>36,109</b>	<b>(238,627)</b>
Income tax expense		-	-
<b>(Loss) for the year</b>		<b>36,109</b>	<b>(238,627)</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<b>36,109</b>	<b>(238,627)</b>

The accompanying notes form part of these financial statements.

**Arthritis Foundation of the ACT Inc**

ABN: 26 538 506 729

**Statement of Financial Position  
As At 30 June 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Trade and other receivables	5	214,244	105,145
Other financial assets	6	27,117	19,364
Other assets	9	24,683	24,615
<b>TOTAL CURRENT ASSETS</b>	10	<b>1,209</b>	<b>15,525</b>
		<b>267,253</b>	<b>164,649</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	41,604	40,851
Right-of-use assets	8	21,858	65,574
<b>TOTAL NON-CURRENT ASSETS</b>		<b>63,462</b>	<b>106,425</b>
<b>TOTAL ASSETS</b>		<b>330,715</b>	<b>271,074</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables			
Lease liabilities	11	102,832	53,613
Employee benefits	8	25,578	46,624
<b>TOTAL CURRENT LIABILITIES</b>	12	<b>139,988</b>	<b>119,051</b>
		<b>268,398</b>	<b>219,288</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities			
<b>TOTAL NON-CURRENT LIABILITIES</b>	8	<b>-</b>	<b>25,578</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>25,578</b>
<b>NET ASSETS</b>		<b>268,398</b>	<b>244,866</b>
		<b>62,317</b>	<b>26,208</b>
<b>EQUITY</b>			
Retained earnings			
<b>TOTAL EQUITY</b>		<b>62,317</b>	<b>26,208</b>
		<b>62,317</b>	<b>26,208</b>

The accompanying notes form part of these financial statements.

**Arthritis Foundation of the ACT Inc**

ABN: 25 538 506 729

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2023**

**2023**

**Balance at 1 July 2022**  
**Surplus/(Deficit) for the year**  
**Balance at 30 June 2023**

<b>Retained Earnings</b>	<b>FVOCI reserve</b>	<b>Total</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>26,208</b>	<b>-</b>	<b>26,208</b>
<b>36,109</b>	<b>-</b>	<b>36,109</b>
<b>62,317</b>	<b>-</b>	<b>62,317</b>

**2022**

**Balance at 1 July 2021**  
**Surplus/(Deficit) for the year**  
**Transfers from FVOCI to retained earnings**  
**Balance at 30 June 2022**

<b>Retained Earnings</b>	<b>FVOCI reserve</b>	<b>Total</b>
<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>223,631</b>	<b>41,204</b>	<b>264,835</b>
<b>(238,627)</b>	<b>-</b>	<b>(238,627)</b>
<b>41,204</b>	<b>(41,204)</b>	<b>-</b>
<b>26,208</b>	<b>-</b>	<b>26,208</b>

The accompanying notes form part of these financial statements.

**Arthritis Foundation of the ACT Inc**

ABN: 25 538 506 729

**Statement of Cash Flows**  
**For the Year Ended 30 June 2023**

	<b>2023</b>	<b>2022</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,925,901	1,438,663
Payments to suppliers and employees	(1,757,838)	(1,649,878)
Interest received	2,746	2,067
Net cash provided by / (used in) operating activities	18 170,809	(209,148)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from investment	-	225,920
Purchase of plant and equipment	7(a) (9,874)	(8,505)
Purchase of term deposit	(68)	(5,364)
Net cash (used in) / provided by investing activities	(9,942)	212,051
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principle repayments of lease liabilities	(51,768)	(50,015)
Net cash (used in) financing activities	(51,768)	(50,015)
Net increase / (decrease) in cash and cash equivalents held	109,099	(47,112)
Cash and cash equivalents at beginning of year	105,145	152,257
Cash and cash equivalents at end of financial year	5 214,244	105,145

The accompanying notes form part of these financial statements.

## Arthritis Foundation of the ACT Inc

ABN: 25 638 606 729

### Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Arthritis Foundation of the ACT Inc as an individual entity. Arthritis Foundation of the ACT Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Arthritis Foundation of the ACT Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

###### Specific revenue streams

###### Operating grants and donations

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(a) Revenue and other income (continued)**

###### **Specific revenue streams (continued)**

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

###### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

###### **Membership subscriptions**

When the Association receives membership subscription income it records the revenue in the subscription year the income relates to in accordance with AASB 15. The subscription year goes from 1 July to 30 June. If income is received before 30 June relating to the next subscription year the deferred income is recognised as a liability in the financial statements.

###### **Interest income**

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

##### **(b) Income Tax**

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### **(c) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies (continued)

#### (c) Goods and services tax (GST) (continued)

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

#### (d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

##### Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

##### Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20%-33%
Leasehold improvements	2.5%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies (continued)

#### (e) Financial Instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification*

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

#### *Amortised cost*

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Fair value through other comprehensive income - Equity instruments*

The Association has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Association has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

###### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Association does not hold any assets that fall into this category.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies (continued)**

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

###### **Financial assets (continued)**

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **Financial liabilities**

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables and lease liabilities.

##### **(f) Impairment of non-financial assets**

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

##### **(g) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **(h) Leases**

###### **Right-of-use asset**

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(h) Leases (continued)**

###### **Right-of-use asset (continued)**

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

###### **Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### *Exceptions to lease accounting*

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

##### **(i) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

##### **(j) Economic dependence**

Arthritis Foundation of the ACT Inc is dependent on the ACT Health Directorate (ACTHD) for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the ACT Health Directorate (ACTHD) will not continue to support Arthritis Foundation of the ACT Inc.

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies (continued)

#### (k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Association where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	30 June 2024	The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.	The amendment is not expected to have a material impact on the financial statements once adopted.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	30 June 2024	The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).	The impact of the initial application is not yet known.

### 3 Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### Key estimates - Fair value of financial instruments

The Association has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

# Arthritis Foundation of the ACT Inc

ABN: 26 538 506 729

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 3 Critical Accounting Estimates and Judgements (continued)

#### Key estimates - Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue from contracts with customers (AASB 15)		
- ACT Health Contract	550,591	526,963
- Member subscriptions	44,297	31,297
- Other grants and projects	489,073	274,218
- Fee for services	563,753	475,794
- Warm water exercise	106,538	53,793
	<u>1,754,252</u>	<u>1,362,065</u>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Other income	25,220	4,230
- Interest income	1,720	3,470
- Donations	74,941	38,989
	<u>101,881</u>	<u>46,689</u>
<b>Total Revenue and other income</b>	<u><b>1,856,133</b></u>	<u><b>1,408,754</b></u>

### 5 Cash and Cash Equivalents

	2023	2022
Note	\$	\$
Cash at bank and in hand	214,244	104,784
Other cash and cash equivalents	-	361
13	<u>214,244</u>	<u>105,145</u>

### 6 Trade and other receivables

	2023	2022
Note	\$	\$
CURRENT		
Trade receivables	26,817	19,064
UC Bond	300	300
<b>Total current trade and other receivables</b>	<u><b>27,117</b></u>	<u><b>19,364</b></u>
13		

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**Arthritis Foundation of the ACT Inc**

ABN: 25 538 506 729

**Notes to the Financial Statements  
For the Year Ended 30 June 2023****6 Trade and other receivables (continued)**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**7 Plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Furniture and Equipment		
At cost		
Accumulated depreciation	<b>22,778</b>	<b>22,353</b>
Total furniture and equipment	<b>(19,615)</b>	<b>(17,194)</b>
	<b>3,163</b>	<b>5,159</b>
Office equipment		
At cost		
Accumulated depreciation	<b>5,674</b>	<b>5,674</b>
Total office equipment	<b>(3,127)</b>	<b>(1,992)</b>
	<b>2,547</b>	<b>3,682</b>
Computer equipment		
At cost		
Accumulated depreciation	<b>44,310</b>	<b>34,862</b>
Total computer equipment	<b>(32,861)</b>	<b>(27,945)</b>
	<b>11,449</b>	<b>6,917</b>
Leasehold Improvements		
At cost		
Accumulated amortisation	<b>25,930</b>	<b>25,930</b>
Total leasehold improvements	<b>(1,485)</b>	<b>(837)</b>
	<b>24,445</b>	<b>25,093</b>
<b>Total plant and equipment</b>	<b>41,604</b>	<b>40,851</b>

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 7 Plant and equipment (continued)

#### (a) Movements in carrying amounts of plant and equipment

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

	Furniture and Equipment \$	Office Equipment \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
<b>Year ended 30 June 2023</b>					
Balance at the beginning of year	5,159	3,682	6,917	25,093	40,851
Additions	425	-	9,449	-	9,874
Depreciation expense	(2,421)	(1,135)	(4,917)	(648)	(9,121)
<b>Balance at the end of the year</b>	<b>3,163</b>	<b>2,547</b>	<b>11,449</b>	<b>24,445</b>	<b>41,604</b>

	Furniture and Equipment \$	Office Equipment \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
<b>Year ended 30 June 2022</b>					
Balance at the beginning of year	6,643	4,817	12,212	22,219	45,891
Additions	2,829	-	2,195	3,480	8,504
Depreciation expense	(4,313)	(1,135)	(7,490)	(606)	(13,544)
<b>Balance at the end of the year</b>	<b>5,159</b>	<b>3,682</b>	<b>6,917</b>	<b>25,093</b>	<b>40,851</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**8 Leases**

**(a) Right-of-use assets**

	<b>Buildings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2023</b>		
At cost	131,148	131,148
Accumulated depreciation	(109,290)	(109,290)
<b>Balance at end of year</b>	<b>21,858</b>	<b>21,858</b>
	<b>Buildings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2022</b>		
At cost	131,148	131,148
Accumulated depreciation	(65,574)	(65,574)
<b>Balance at end of year</b>	<b>65,574</b>	<b>65,574</b>

**(b) Lease liabilities**

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>			
Lease liabilities	25,578	-	25,578
<b>2022</b>			
Lease liabilities	46,624	25,578	72,202

**(c) Income Statement**

**Statement of Profit or Loss and Other Comprehensive Income**

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	(5,144)	(9,471)
Depreciation of right-of-use assets	(43,716)	(43,716)
	<b>(48,860)</b>	<b>(53,187)</b>

**Arthritis Foundation of the ACT Inc**

ABN: 25 638 606 729

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**8 Leases (continued)**

**(d) Statement of Cash Flows**

Total cash outflow for leases

2023	2022
\$	\$
<b>(51,768)</b>	<b>(50,015)</b>

**9 Other Financial Assets**

CURRENT  
Term deposit

**Total**

Note	2023	2022
	\$	\$
13	<b>24,683</b>	24,615
	<b>24,683</b>	<b>24,615</b>

**10 Other Assets**

CURRENT  
Accrued income  
Prepayments

**Total**

2023	2022
\$	\$
<b>403</b>	1,429
<b>806</b>	14,096
<b>1,209</b>	<b>15,525</b>

**11 Trade and Other Payables**

CURRENT  
Trade payables  
GST payable  
Accrued expense  
Superannuation payable  
PAYG payable

**Total**

Note	2023	2022
	\$	\$
13	<b>24,359</b>	-
	<b>11,798</b>	3,470
13	<b>31,099</b>	25,545
	<b>5,346</b>	136
	<b>30,230</b>	24,462
	<b>102,832</b>	<b>53,613</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Arthritis Foundation of the ACT Inc

ABN: 25 538 506 729

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 12 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Provision for annual leave	139,988	119,051
	<u>139,988</u>	<u>119,051</u>

#### 13 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Association is exposed to are described below:

##### Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

##### Financial instruments used

The principal categories of financial instrument used by the Association are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Lease liabilities

# Arthritis Foundation of the ACT Inc

ABN: 25 638 606 729

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 13 Financial Risk Management (continued)

#### 13 Financial Risk Management (continued)

	Note	2023 \$	2022 \$
<b>Financial assets</b>			
Held at amortised cost			
Cash and cash equivalents			
Trade and other receivables	5	214,244	105,145
Term deposit	6	27,117	19,364
Fair value through profit or loss (FVTPL)	9	24,683	24,615
Fair value through Other Comprehensive Income (OCI)			
<b>Total financial assets</b>		<b>266,044</b>	<b>149,124</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	11	55,458	25,545
<b>Total financial liabilities</b>		<b>55,458</b>	<b>25,545</b>

#### Objectives, policies and processes

Those charged with governance have overall responsibility for the establishment of Arthritis Foundation of the ACT Inc's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Arthritis Foundation of the ACT Inc's activities.

The day-to-day risk management is carried out by Arthritis Foundation of the ACT Inc's finance function under policies and objectives which have been approved by those charged with governance. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Those charged with governance receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

#### Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2023**

#### **13 Financial Risk Management (continued)**

##### **13 Financial Risk Management (continued)**

###### **Liquidity risk (continued)**

facilities and the ability to sell long-term financial assets.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Arthritis Foundation of the ACT Inc has no control over the timing of any potential settlement of the liabilities.

###### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

###### *Trade receivables*

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Those charged with governance receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Association's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

###### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

###### *(i) Interest rate risk*

The Association is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Association to fair value interest rate risk.

## Arthritis Foundation of the ACT Inc

ABN: 26 638 606 729

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 14 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Arthritis Foundation of the ACT Inc during the year amounted to \$169,822 (2022: \$164,211):

#### 15 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor Hardwickes Chartered Accountants, for:)		
- auditing or reviewing the financial statements		
<b>Total</b>	<b>4,950</b>	<b>4,700</b>
	<b>4,950</b>	<b>4,700</b>

#### 16 Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2023 (30 June 2022:None).

#### 17 Related Parties

Key management personnel - refer to Note 14.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

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

There are no related party transactions during the year.

**Arthritis Foundation of the ACT Inc**

ABN: 25 538 506 729

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**18 Cash Flow Information**

Reconciliation of result for the year to cashflows from operating activities:

	2023	2022
	\$	\$
Surplus / (Deficit) for the year	36,109	(238,627)
Cash flows excluded from profit attributable to operating activities		
- finance costs on lease liability	5,144	9,471
Non-cash flows in profit:		
- depreciation	52,837	57,260
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(6,727)	4,146
- (increase)/decrease in prepayments	13,290	13,431
- increase/(decrease) in income in advance	-	(39,335)
- increase/(decrease) in trade and other payables	49,219	(38,094)
- increase/(decrease) in employee benefits	20,937	22,600
Cashflows from operations	170,809	(209,148)

**19 Events after the end of the Reporting Period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

**20 Statutory Information**

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

Arthritis Foundation of the ACT Inc  
Building 18  
170 Haydon Drive  
Bruce ACT 2617

**Arthritis Foundation of the ACT Inc**

ABN: 25 638 606 729

**Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the Association is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person



Responsible person



Dated

## Arthritis Foundation of the ACT Inc

# Independent Audit Report to the members of Arthritis Foundation of the ACT Inc

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Arthritis Foundation of the ACT Inc, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Arthritis Foundation of the ACT Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

**Arthritis Foundation of the ACT Inc**

## **Independent Audit Report to the members of Arthritis Foundation of the ACT Inc**

### **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 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.

  
Hardwickes  
Chartered Accountants

  
Bhaumik Bumia CA  
Partner

Canberra

**7 NOVEMBER 2023**