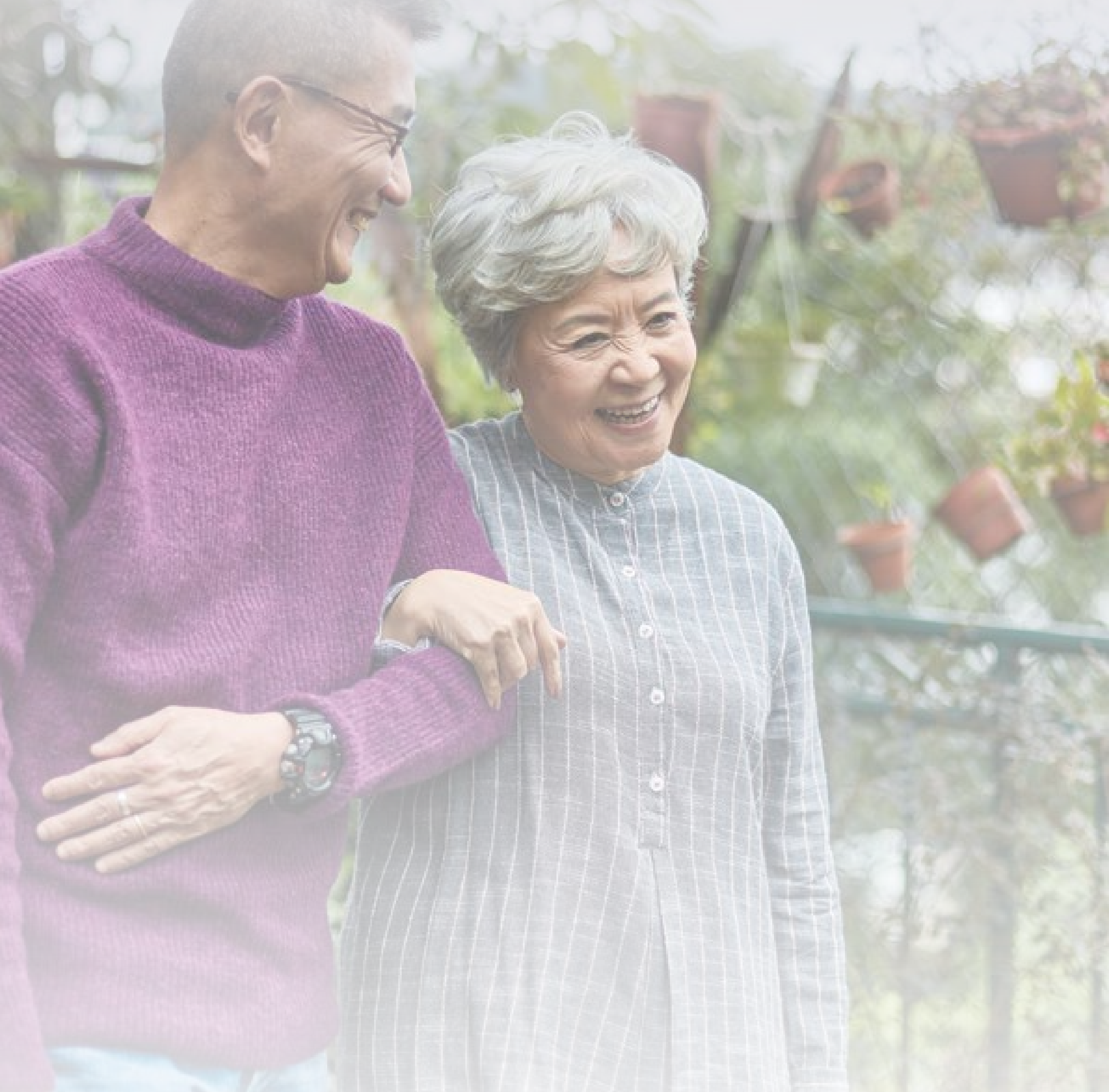
FINANCIAL REPORT

Year Ended 30 June 2020



Continence Foundation of Australia

Recognising the past and focusing on the future

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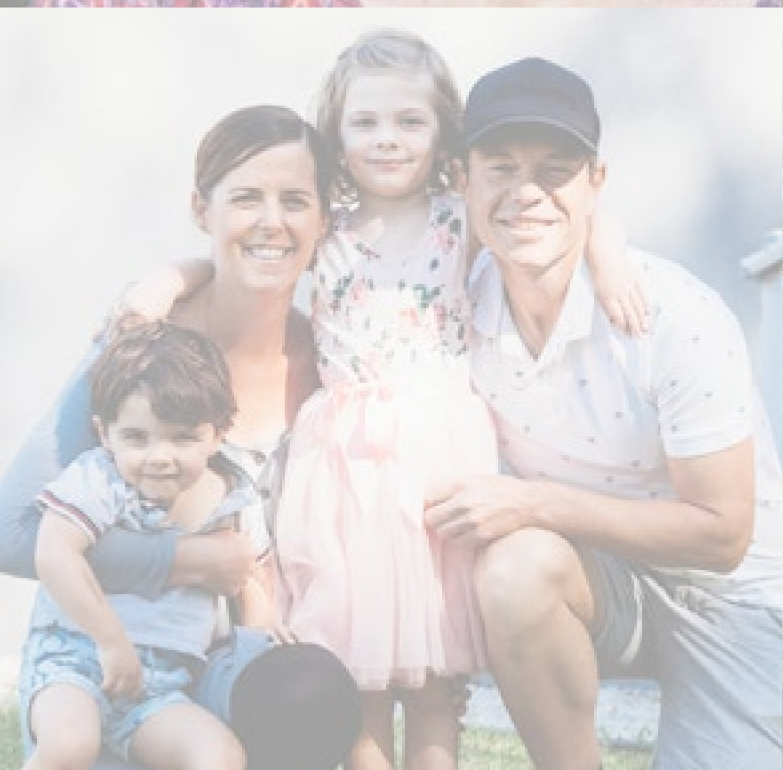

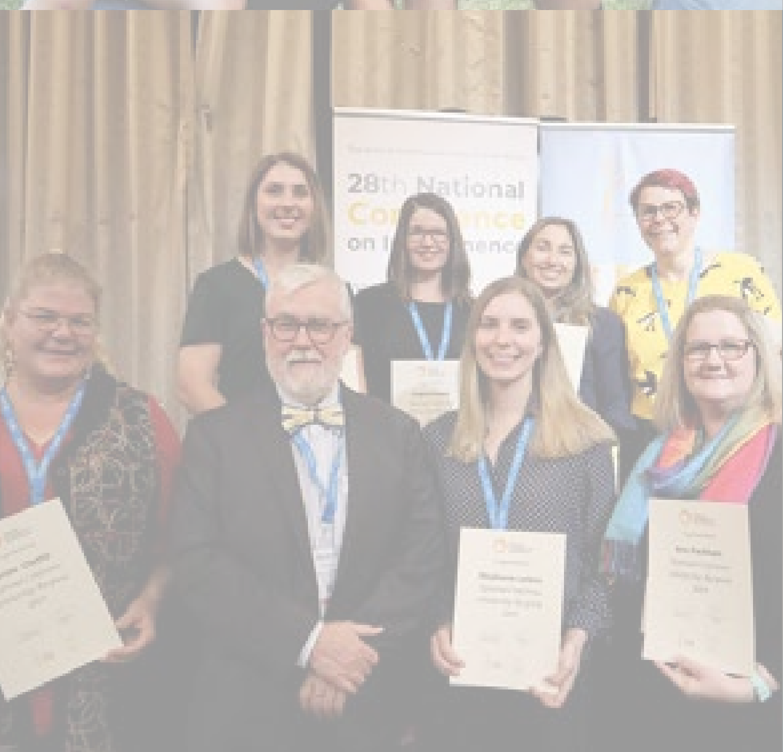
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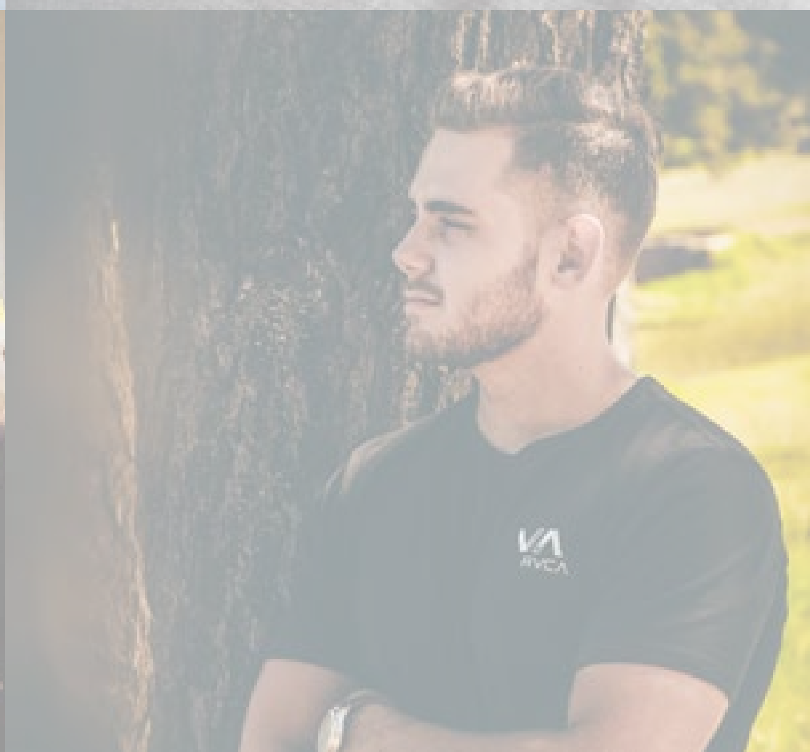
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Directors' Report

The Directors of Continence Foundation of Australia Limited present their report on the accounts of the company ("the Foundation") for the year ended 30 June 2020.

Directors

The Directors in office at any time during or since the end of the year are:

- Assoc Prof Michael Murray
- Dr Ian Tucker
- Dr Janet Chase
- Ms Karen Allingham
- Ms Rosemary Calder
- Ms Jacinta Crickmore
- Ms Lesley Barton (appointed 6 November 2019)
- Ms Claire Richards (appointed 15 June 2020)

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

Principal Activity

The principal activity of the Foundation is to assist people with incontinence, their families, carers and health professionals in understanding and managing incontinence; the development of accessible continence services throughout Australia; and the promotion of self-help groups, public awareness and research on all aspects of incontinence.

Operating Result

The net result of operations was a surplus of $115,244 (2019: $967,094).

The operating result has declined significantly in 2020 due to the decline in the value of the Foundation's Investment Portfolio as the world economy was affected by the COVID-19 Pandemic.

Significant Changes

There were no significant changes in the nature of the company's principal activities during the financial year.

Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Subsequent Events

Since 30 June 2020 the Continence Foundation of Australia Ltd has commenced proceedings to unify with the six Continence Foundation Australia state branches, which currently all operate as separate legal entities. The vote by the Foundation's members for this Unification will follow votes by the members of each state branch and will be at the Foundation's Annual General Meeting in October 2020.

On 14 August 2020, 12 months funding for the year ended 30 June 2021 was signed with the Federal Government. Future funding will be determined later in 2020-21.

The COVID-19 pandemic has developed rapidly in 2020 and continues to affect the way that the Foundation carries out its operations. All Foundation staff continue to work from home and those operations where face to face contact was required have moved online. The downturn in the economy because of this pandemic may cause the Foundation's Investments to fluctuate in the future. Other than the performance of its investments, the Foundation's revenue and expenses have not been materially affected by COVID-19.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations in subsequent financial years.

Particulars of Directors during the year:

		Board meetings	
Director	**Position**	**Eligible**	**Attended**
Assoc Prof Michael Murray AM MBBS, MPH, FRACP	President Board-appointed Director	9	9
Dr Ian Tucker MBBS, FRCOG, FRANZCOG, CU	Vice-President Board-appointed Director	9	7
Dr Janet Chase PostGrad Cert (Continence and Pelv. Floor Rehab.), Cert. Management (Health), Doc Physio	Elected Director	9	8
Ms Rosemary Calder AM; BA (hons); LLD (hons causa); FAIM; MAICD; AFACHSM	Board-appointed Director	9	6
Ms Karen Allingham RN, MN (Nurs Prac)	Elected Director	9	8
Ms Jacinta Crickmore	Elected Director	9	8
Ms Lesley Barton	Board-appointed Director	6	6
Ms Claire Richards	Board-appointed Director	0	0

Total Number of Board Meetings – 2019-2020: 9

The company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings, or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expense of defending legal proceedings.

No Directors have received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company, or a related body corporate with a Director, a firm of which the Director is a member or an entity in which a Director has a substantial financial interest.

Directors are eligible to receive reasonable out of pocket expenses covering flights, local travel, accommodation and similar costs in the course of attending Board meetings and other Company business.

Indemnification of Directors and Officers

Continence Foundation of Australia Ltd, its directors and officers are insured for liabilities incurred (other than liabilities specifically excluded by law) in the performance of their duties as directors or officers of the company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under subdivision 60-40 of the Australian Charities and Not For Profits Commission Act 2012 is set on page 6.

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

On behalf of the directors:

Michael Murray
DIRECTOR
Melbourne
Dated: 18 September 2020

Chartered Accountants & Advisors

Walker Wayland Advantage Audit Partnership

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CONTINENCE FOUNDATION OF AUSTRALIA LIMITED

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 and, as auditor for the audit of Continence Foundation of Australia Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit

Walker Wayland Advantage

WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

AWAIS UR REHMAN
PARTNER

Dated in Melbourne on this 18th day of September 2020.

Continence Foundation of Australia Limited
ABN 84 007 325 313

Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Conference and Seminars		663,552	682,338
Interest		75,907	199,629
Membership Fees		71,134	111,963
Programs	2	3,751,317	3,829,342
Peak Body Status Funding	2	375,000	375,000
Other Income		532,423	568,287
Investment Income/(loss)		(312,744)	357,387
Total Operating Revenue	2	5,156,589	6,123,946
Total Revenue		5,156,589	6,123,946
Expenditure			
Conference and Seminars		517,787	495,487
Depreciation and amortisation		182,784	196,766
Programs including salaries and wages	1(b)	3,910,571	3,829,341
Salaries and on-costs (non-program)	1(b)	354,461	339,160
Other		75,742	296,098
Total Operating Expenditure	3	5,041,345	5,156,852
Total Expenditure		5,041,345	5,156,852
Surplus before income tax		115,244	967,094
Income tax expense		-	-
Surplus after income tax		115,244	967,094
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		115,244	967,094

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and Cash Equivalents	4	5,108,953	4,890,248
Investments	5	6,044,643	6,357,387
Trade and Other Receivables	6	84,673	82,425
Other Assets – Prepayments		73,255	107,489
Total Current Assets		**11,311,524**	**11,437,549**
Non-Current Assets			
Right of Use Asset	8	109,149	125,636
Property, Plant and Equipment	7	81,153	134,313
Security Deposit		30,023	30,023
Total Non-Current Assets		**220,325**	**289,972**
Total Assets		**11,531,849**	**11,727,521**
Liabilities			
Current Liabilities			
Trade and Other Payables	9	772,875	770,065
Employee Benefits	10	122,953	132,106
Lease Liabilities		113,846	90,895
Income Received in Advance	11	74,616	294,551
Total Current Liabilities		**1,084,290**	**1,287,617**
Non-Current Liabilities			
Employee Benefits	10	123,243	163,236
Lease Liabilities		-	67,596
Total Non- Current Liabilities		**123,243**	**230,832**
Total Liabilities		**1,207,533**	**1,518,449**
Net Assets		**10,324,316**	**10,209,072**
Equity			
Retained Surplus		10,324,316	10,209,072
Total Equity		**10,324,316**	**10,209,072**

The accompanying notes form part of these financial statements.

Continence Foundation of Australia Limited
ABN 84 007 325 313

Statement of Changes in Equity for the year ended 30 June 2020

	Retained Earnings $	Total Equity $
Balance at 30 June 2018	**9,241,978**	**9,241,978**
Total comprehensive income for the year	967,094	967,094
Balance at 30 June 2019	**10,209,072**	**10,209,072**
Total comprehensive income for the year	115,244	115,244
Balance at 30 June 2020	**10,324,316**	**10,324,316**

Continence Foundation of Australia Limited
ABN 84 007 325 313

Statement of Cash Flows for the year ending 30 June 2020

	Note	2020 $	2019 $
Cash Flow from Operating Activities			
Cash receipts from operations		5,049,886	5,502,800
Interest Received		75,907	199,629
Investment Income		267,693	357,387
Payment to consultants, suppliers and employees		(5,319,153)	(5,113,821)
Interest Paid		(2,045)	(14,913)
Net Cash inflow from operating activities	12	72,288	931,082
Cash Flow from Investing Activities			
Funds under Management – Morgan Stanley		312,744	(6,357,387)
Purchase of Property, Plant and Equipment		(20,476)	(27,391)
Net Cash inflow/(outflow) from investing activities		292,268	(6,384,778)
Cash Flow from Financing Activities			
Repayment of lease liabilities		(145,851)	(84,123)
Net Increase/(Decrease) in financing activities		(145,851)	(84,123)
Net Increase/(Decrease) in Cash Held		218,705	(5,537,819)
Cash and cash equivalents at the beginning of the financial year		4,890,248	10,428,067
Cash and cash equivalents at the end of the financial year	4	5,108,953	4,890,248

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

Continence Foundation of Australia Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 17 September 2020 by the directors of the entity.

Accounting Policies

a. Revenue

Revenue recognition

The Entity has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

In the current year

Operating Grants, Donations and Bequests

When the entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 1.

When both these conditions are satisfied, the Entity:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example 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); and
- 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 Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest Income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

In the comparative period

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

b. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Where appropriate, salaries are allocated directly to programs and appear as program costs. Other salaries are shown as Salaries and on-costs.

c. **Property, Plant and Equipment**

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

Plant and equipment

Basis of measurement of carrying amount

All classes of assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Computer equipment	100%
Leasehold Improvements	31.3%

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 earnings.

d. **Leases**

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations applies;*
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

g. Employee Benefits

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The entity's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits where they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i. Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for services provided. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

j. Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

k. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997.*

l. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates

(i) *Useful lives of property, plant and equipment*

As described in Note 1(b), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

o. Economic Dependence

Continence Foundation of Australia Limited is dependent on the Commonwealth's Department of Health for the majority of its revenue to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Entity.

p. Fair Value of Assets and Liabilities

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

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

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

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

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

The fair value of liabilities, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted.

q. New and Amended Accounting Standards Adopted by the Entity

Initial application of AASB 15 and AASB 1058

The Entity has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Entity has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. The adjustment to opening retained surplus on 1 July 2019 was an increase of $0 with a corresponding decrease in contract liabilities. A classification change occurred which resulted in the deferred income now being classified as contract liability in line with wording used in AASB 15.

Note 2: Revenue and Other Income

	2020 $	2019 $
Revenue		
Revenue from Government Grants		
– Federal Government Grants	3,751,317	3,829,342
– Peak Body Funding	375,000	375,000
	4,126,317	4,204,342
Other Income		
Investment income/(loss)	(312,744)	357,387
Conference & seminars	663,552	682,338
Interest	75,907	199,629
Membership fees	71,134	111,963
Other income	532,423	568,287
Total Other Income	1,030,272	1,919,604
Total Revenue and Other Income	5,156,589	6,123,946

Note 3: Expenditure

	2020 $	2019 $
Expenditure includes:		
- Salaries and wages	2,011,970	1,884,881
- Superannuation expense	184,457	205,379

Depreciation Expense		
- Depreciation	73,635	96,224
- Amortisation	109,149	100,542

Other Expenses		
Interest expense on lease liabilities	8,543	13,158

Note 4: Cash and Cash Equivalents

	2020 $	2019 $
Cash on hand	200	200
Cash at Bank	356,344	406,233
Short Term Deposits at bank (a)	4,752,409	4,483,815
	5,108,953	4,890,248

(a) Term deposits for 2020 are managed by Morgan Stanley. These deposits have different maturity dates ranging from 90-180 days and average interest yield of 1.46%

Note 5: Investments

	2020 $	2019 $
Current		
Investments measured at fair value through profit or loss	6,044,643	6,357,387
Total Investments	6,044,643	6,357,387

Movements in investments at fair value through profit or loss is as follows:

	$
Balance at 1 July 2019	**6,357,387**
Contributions during the year	657,000
Withdrawals during the year	(600,000)
Net realised and unrealised gain/(loss)	(593,444)
Other income net of charges	223,700
Net change for the year ended 30 June 2020	**(312,744)**
Balance at 30 June 2020	6,044,643

These investments are managed by Morgan Stanley and are valued at market value at year end.

Note 6: Trade and other Receivables

	2020 $	2019 $
Trade Receivables	12,040	38,712
GST Receivable	22,633	43,444
Sundry Debtors	50,000	269
	84,673	82,425

Note 7: Property, Plant and Equipment

	2020 $	2019 $
Plant and Equipment – At cost	374,521	354,045
Accumulated Depreciation	(357,479)	(310,641)
	17,042	43,404
Leasehold Improvements – At cost	174,340	174,340
Accumulated Depreciation	(110,229)	(83,431)
	64,111	90,909
Total Property, Plant and Equipment	81,153	134,313

Movements in Carrying Amounts

Movement in the carrying amounts for each class of Property, Plant and Equipment between the beginning and the end of the current financial year:

	Plant and equipment $	Motor Vehicle $	Leasehold Improvement $	Total $
Balance at 30 June 2018	43,707	-	159,439	203,146
Additions	23,934		3,455	27,389
Disposals	-		-	-
Depreciation expense	(24,238)		(71,985)	(96,223)
Balance at 30 June 2019	43,403	-	90,909	134,312
Additions	20,476		-	20,476
Disposals	-		-	-
Depreciation expense	(46,837)		(26,798)	(73,635)
Balance at 30 June 2020	17,042	-	64,111	81,153

Note 8: Right of Use Assets and Lease Liability

The company leases its office in Surrey Hills, Victoria. The lease concluded on 30 June 2020 and the company exercised the option to extend the lease for another twelve months to 30 June 2021.

Rental per annum is $112,996 payable in monthly instalments.

The company has an option to extend the lease for another 1 year (i.e. up to 30 June 2022). Management is not certain that this option will be exercised and accordingly this has not been accounted for in the calculation for lease asset and liability.

Current lease liability 113,846.

(i) AASB 16 related amounts recognised in the balance sheet

	2020 $
Leased Building	218,298
Accumulated depreciation	(109,149)
Total Right of use asset	109,149

ii) Commitments - AASB 16 Lease Liabilities

	2020 $
- Not later than one year	113,846
Current Lease Liabilities	113,846
Depreciation charge of right-of-use assets	109,149
Interest expense	8,543
Total recognised in statement of profit or loss	117,692

Note 9: Trade and Other Payables

	2020 $	2019 $
Trade Payables	83,463	196,240
Accrued Liabilities	131,694	21,417
Liability for Taxes Payable	28,400	23,505
Bladder Foundation Grant Program	525,743	525,643
Sundry Payable	3,575	3,260
	772,875	770,065

Note 10: Employee Benefits

	2020 $	2019 $
Current		
Provision for employee benefits: Annual Leave	100,308	132,106
Provision for employee benefits: Long Service Leave	22,645	-
	122,953	132,106
Non Current		
Provision for employee benefits: Long Service Leave	123,243	163,236
	123,243	163,236
Total Provisions	246,196	295,342

Note 11: Income Received in Advance

	2020 $	2019 $
Membership Fees received in advance	31,711	54,549
Conference Revenue received in advance	42,905	212,429
Grant Revenue	-	27,573
	74,616	294,551

Note 12: Net Cash Flow from Operating Activities

	2020 $	2019 $
Operating Surplus/ (Loss)	115,244	967,094
Add: Depreciation	73,635	96,224
Add: Amortisation on Right of Use Assets	109,149	100,542
Interest expense on lease	8,543	13,158
(Increase) Decrease in Prepayments	34,234	(69,993)
(Increase) Decrease in Receivables & Investments	(2,246)	30,088
Increase (Decrease) in Accounts Payable	2,810	(82,510)
Increase (Decrease) in Provisions	(49,146)	(44,413)
Increase (Decrease) in Revenue Received in Advance	(219,935)	(79,108)
Net Cash from Operating Activities	72,288	931,082

Note 13: Corporate Information

The Financial statements cover Continence Foundation of Australia Ltd as an individual entity, incorporated and domiciled in Australia. It is a company limited by guarantee. The registered office and principal place of business is Suite 1, 407 Canterbury Rd, Surrey Hills Vic 3127.

Note 14: Members Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $2 towards meeting any outstanding obligations of the company.

Note 15: Subsequent Events

Since 30 June 2020 the Continence Foundation of Australia Ltd has commenced proceedings to unify with the six Continence Foundation Australia state branches, which currently all operate as separate legal entities. The vote by the Foundation's members for this Unification will follow votes by the members of each state branch and will be at the Foundation's Annual General Meeting in October 2020.

On 14 August 2020, 12 months funding for the year ended 30 June 2021 was signed with the Federal Government. Future funding will be determined later in 2020-21.

The COVID-19 pandemic has developed rapidly in 2020 and continues to affect the way that the Foundation carries out its operations. All Foundation staff continue to work from home and those operations where face to face contact was required have moved online. The downturn in the economy because of this pandemic may cause the Foundation's Investments to fluctuate in the future. Other than the performance of its investments, the Foundation's revenue and expenses have not been materially affected by COVID-19.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations in subsequent financial years.

Note 16: Related Party Disclosures

The names of Directors who held office during the financial year were:

Assoc Prof Michael Murray AM, Dr Janet Chase, Ms Jacinta Crickmore, Ms Lesley Barton, Dr Ian Tucker, Ms Karen Allingham, Ms Rosemary Calder, Ms Claire Richards.

There was no fee paid to the Directors during the current and previous year, no Directors were reimbursed for expenditure incurred by them on behalf of the Company in carrying out their duties as directors of the Company.

There were no other key related party transactions other than key management remuneration as below:

	2020 $	2019 $
Key management remuneration	-	-
Short term employee benefits	-	-

Note 18: Financial Risk Management

The company's financial instruments are comprised of investments, cash and cash equivalents, receivables and payables. The company manages its exposure to key financial risks in accordance with its policies. The objective of the policies is to achieve financial targets with protecting the future financial security.

Note 19: Contingent Liability and Commitments

The Company does not have any contingent liabilities and commitments as at 30 June 2020 other than those which have been disclosed above in the financial report (*2019: nil*).

Unused facilities as at 30 June 2020	
Business Credit Card Limits (ongoing)	$50,000
Merchant Facilities (ongoing)	$215,000
Indemnity Guarantee (31 March 2021)	$30,023

Directors' Declaration

In accordance with a resolution of the Directors of Continence Foundation of Australia Limited, the directors of the company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 7 to 24, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
   a. comply with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the company; and
   b. give a true and fair view of the financial position of the company as at 30 June 2020 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

On behalf of the directors:

Michael Murray
DIRECTOR

Janet Chase
DIRECTOR

Melbourne

Dated: 18 September 2020

walkerwaylandAdvantage
Chartered Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONTINENCE FOUNDATION OF AUSTRALIA LIMITED

Opinion

We have audited the financial report of Continence Foundation of Australia Limited, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors declaration.

In our opinion the financial report of Continence Foundation of Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

(a) giving a true and fair view of the Continence Foundation of Australia Limited's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements applicable to the company and Division 60 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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Matter

The company's financial report for 30 June 2019 was audited by another auditor who expressed an unmodified opinion on 23 September 2019. We do not express an opinion on the comparative figures for the period 1 July 2018 to 30 June 2019.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONTINENCE FOUNDATION OF AUSTRALIA LIMITED (Continued)

Other Information
The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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, 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.

Directors' Responsibility for the Financial Report
The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONTINENCE FOUNDATION OF AUSTRALIA LIMITED (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Walker Wayland Advantage

WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

AWAIS REHMAN
PARTNER

Dated in Melbourne on this 18th day of September 2020

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