Continence Foundation of Australia

YEAR ENDED 30 JUNE 2022

FINANCIAL REPORT

Contents

Front cover image: Associate Professor Michael Murray AM at NCOI 2022

Director's 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 2022.

Directors

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

- A/Prof Michael Murray AM
- Dr Ian Tucker
- Dr Janet Chase
- Ms Karen Allingham (resigned November 2021)
- Ms Celia Bolton (elected November 2021)
- Prof Rosemary Calder AM
- Ms Jacinta Crickmore
- Ms Lesley Barton
- Ms Claire Richards
- Ms Peta Titter (resigned November 2021)
- Dr Kathryn Sloots
- Dr Jenny King OAM (resigned 27 May 2022)
- Dr Ashani Couchman
- Mr Michael Croker

Directors held office since the start of the financial year to the 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, research and advocacy in relation to all aspects of incontinence.

Operating Result

The net result of operations was a deficit of $145,021 (2021: surplus of $1,074,863).

The operating result has decreased significantly in 2022 due mainly to the decrease in the value of the Foundation's Investment Portfolio. Significant worldwide events have had a major impact across all investment classes.

Significant Changes

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

Environmental Regulations

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

COVID 19

The COVID-19 pandemic continues to affect the way that the Foundation carries out its operations. Staff continue to work from home when required and have only worked from the office when regulations have allowed. Those operations where face to face contact was required in the past have been able to move online, where appropriate.

Subsequent Events

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:

Director	Position	Board Meetings Eligible	Board Meetings Attended
Assoc Prof Michael Murray AM, MBBS, MPH, FRACP	Chair Board-appointed Director	7	7
Dr Ian Tucker MBBS, FRCOG, FRANZCOG, CU	Vice-Chair Board-appointed Director	7	6
Dr Janet Chase PostGrad Cert (Continence and Pelv. Floor Rehab.), Cert. Management (Health), Doc Physio	Elected Director	7	7
Prof Rosemary Calder AM, BA (Hons), HonLLD, FAIM, MAICD, AFACHSM	Board-appointed Director	7	4
Ms Karen Allingham RN, MN (Nurs Prac)	Nominated Director	3	2
Ms Jacinta Crickmore	Elected Director	7	5
Ms Lesley Barton	Board-appointed Director	7	6
Ms Claire Richards	Board-appointed Director	7	5
Ms Peta Titter BNurs, BHlthSc (Hons)	Nominated Director	3	3
Dr Kathryn Sloots BSc (Hons), PhD	Nominated Director	7	7
Dr Jenny King OAM MBBS, FRANZCOG, CU	Nominated Director	7	6
Dr Ashani Couchman MBChB, FRACS (Urology)	Nominated Director	7	3
Mr Michael Croker MBA, BCom, CA	Nominated Director	7	6
Ms Celia Bolton	Elected Director	3	3

Total Number of Board Meetings – 2021 - 2022: 7

At the 2020 AGM, Members approved the appointment of Nominated Directors for a one-year term to facilitate the transition following unification. As unification was not fully completed at the time of the AGM this one-year term was extended for a further 12 months at the 2021 AGM.

The Foundation 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 Foundation 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 Foundation, 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 Foundation 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 Foundation.

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:

Associate Professor Michael Murray AM
DIRECTOR
Melbourne

Dated: 13 October 2022

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Chartered Accountants & Advisors

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

In accordance with subdiv 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Continence Foundation of Australia Limited.

As the lead audit partner for the audit of the financial report of Continence Foundation of Australia Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and

(ii) 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 13th day of October 2022

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 2022

	Note	2022 $	2021 $
Revenue			
Conference and Seminars		483,376	284,483
Clinic Income		340,503	266,020
Interest		14,032	52,696
Membership Fees		98,359	101,123
Programs		5,412,517	4,392,670
Peak Body Status Funding		375,000	375,000
Other Income		1,228,921	643,570
Investment Income/(Loss)		(766,871)	879,814
Total Operating Revenue		**7,185,837**	**6,995,376**
Total Revenue	**3**	**7,185,837**	**6,995,376**
Expenditure			
Conference and Seminars		267,812	28,725
Depreciation and amortisation		212,517	210,891
Programs including salaries and wages	**1(b)**	6,173,500	5,137,203
Salaries and on-costs (non-program)	**1(b)**	537,341	406,191
Other		139,688	137,503
Total Operating Expenditure		**7,330,858**	**5,920,513**
Total Expenditure	**4**	**7,330,858**	**5,920,513**
Surplus/(Deficit) before income tax		**(145,021)**	**1,074,863**
Income tax expense		-	-
Surplus/(Deficit) after income tax		**(145,021)**	**1,074,863**
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive Surplus/(Deficit) for the period		**(145,021)**	**1,074,863**

The accompanying notes form part of these financial statements.

Continence Foundation of Australia Limited
ABN 84 007 325 313

Statement of Financial Position as at 30 June 2022

Assets	Note	2022 $	2021 $
Current Assets			
Cash and Cash Equivalents	5	3,711,465	6,671,536
Investments	6	9,984,591	6,924,462
Trade and Other Receivables	7	51,422	147,075
Other Assets – Prepayments		60,648	60,118
Total Current Assets		**13,808,126**	**13,803,191**
Non-Current Assets			
Right of Use Asset	9	182,745	151,482
Property, Plant and Equipment	8	110,122	78,241
Security Deposit		39,841	47,901
Total Non-Current Assets		**332,708**	**277,624**
Total Assets		**14,140,834**	**14,080,815**
Liabilities			
Current Liabilities			
Trade and Other Payables	10	501,675	831,308
Employee Benefits	11	257,838	304,465
Lease Liabilities	9	150,713	115,353
Income Received in Advance	12	588,527	65,288
Total Current Liabilities		**1,498,753**	**1,316,414**
Non-Current Liabilities			
Employee Benefits	11	67,234	50,346
Lease Liabilities	9	36,131	30,011
Total Non-Current Liabilities		**103,365**	**80,357**
Total Liabilities		**1,602,118**	**1,396,771**
Net Assets		**12,538,716**	**12,684,044**
Equity			
Retained Surplus		11,254,159	11,399,180
State Reserves	2	1,284,557	1,284,864
Total Equity		**12,538,716**	**12,684,044**

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 2022

	Note	Retained Earnings $	Reserves $	Total Equity $
Balance at 30 June 2020		**10,324,317**	**-**	**10,324,317**
Total comprehensive surplus for the year		1,074,863	-	1,074,863
State Reserves	**2**	-	1,284,864	1,284,864
Balance at 30 June 2021		**11,399,180**	**1,284,864**	**12,684,044**
Total comprehensive deficit for the year		(145,021)	-	(145,021)
Legacy Funds expended		-	(307)	(307)
Balance at 30 June 2022		**11,254,159**	**1,284,557**	**12,538,716**

The accompanying notes form part of these financial statements.

Continence Foundation of Australia Limited
ABN 84 007 325 313

Statement of Cash Flows
For the Year Ending 30 June 2022

Revenue	Note	2022 $	2021 $
Cash Flow from Operating Activities			
Cash receipts from operations		8,033,888	6,030,335
Interest Received		14,032	52,696
Payment to consultants, suppliers and employees		(6,955,232)	(5,665,882)
Interest Paid		(77)	(10,146)
Net Cash inflow from operating activities	**13**	**1,092,611**	**407,003**
Cash Flow from Investing Activities			
Sale of Property, Plant and Equipment		22,727	-
Funds under Management – Morgan Stanley		(3,827,000)	-
Purchase of Property, Plant and Equipment		(101,412)	(50,872)
State reserves – Cash received/(expended)		(307)	1,320,297
Net Cash inflow/(outflow) from investing activities		**(3,905,992)**	**1,269,425**
Cash Flow from Financing Activities			
Repayment of lease liabilities		(146,690)	(113,845)
Net Increase/(Decrease) in financing activities		**(146,690)**	**(113,845)**
Net Increase/(Decrease) in Cash Held		**(2,960,071)**	**1,562,583**
Cash and cash equivalents at the beginning of the financial year		6,671,536	5,108,953
Cash and cash equivalents at the end of the financial year	**5**	**3,711,465**	**6,671,536**

The accompanying notes form part of these financial statements.

Continence Foundation of Australia Limited
ABN 84 007 325 313

Notes to the Financial Statements For the Year Ended 30 June 2022

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

Continence Foundation of Australia Limited applies Australian Accounting Standards – Simplified Disclosures as set out in AASB 1060: *General Purpose Financial Statements – Simplified Disclosure for For- Profit and Not-for-Profit Tier 2 Entities.*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities 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 Australian Accounting Standards Board 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 the 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 Continence Foundation of Australia Ltd unified with the six Continence Foundation Australia state branches in October 2020. The Financial Statements for the year ended 30 June 2021 include the fair value of assets brought into the unified entity at the date of the state branch's AGM and the revenues and expenses from the AGM date. The 30 June 2022 year includes revenues and expenses for the full financial year, so the figures for the current year are not directly comparable to previous years.

The financial statements were authorised for issue on 13 October 2022 by the directors of the entity.

Accounting Policies

a. Revenue

Revenue recognition

The Entity applies 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.

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 15,

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.

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 and diminishing method (where applicable) 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	13% - 40%
Computer equipment	10% - 100%
Leasehold improvements	31.3%
Motor Vehicles	12% - 25%

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 (i.e., 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 liabilities 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.

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(e) 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(c), 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. The directors believe that obligations for annual leave entitlements satisfy the definition of Short-term employee benefits and are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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, is determined by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted.

Note 2: Unification

The Continence Foundation of Australia Ltd unified with the six Continence Foundation Australia state branches in October 2020.

State Reserves (Legacy Funds) represent the reserves brought into the Foundation by the previously independent state branches. These funds have been earmarked to be spent at the direction, and for the benefit of the state which contributed them.

Note 3: Revenue and Other Income

Disaggregation of revenue

	2022 $	2021 $
Revenue recognised over time:		
Government Grants	5,412,517	4,392,670
Peak Body Funding	375,000	375,000
Membership fees	98,359	101,123
Total Revenue	**5,885,876**	**4,868,793**
Revenue recognised at a point in time:		
Clinic Income	340,503	266,020
Conference & Seminars	483,376	284,483
Interest	14,032	52,696
Investment Income	(766,871)	879,814
Other Income	1,228,921	643,570
Total Other Income	**1,299,961**	**2,126,583**
Total Revenue and Other Income	**7,185,837**	**6,995,376**

Note 4: Expenditure

	2022 $	2021 $
Employee benefit expenses:		
Salaries and wages	3,109,606	2,654,800
Superannuation	304,975	248,129
Total employee benefit expenses	**3,414,581**	**2,902,929**
Depreciation and amortisation expenses:		
Depreciation	62,635	107,861
Amortisation	149,882	103,030
Total depreciation and amortisation expenses	**212,517**	**210,891**
Auditors' Remuneration:		
Remuneration of the auditor, Walker Wayland Advantage Audit Partnership, for:		
Auditing the financial statements	20,606	15,550
Other Services	-	-
Total remuneration of auditors*	**20,606**	**15,550**

*No other fee related services from auditors

	2022 $	2021 $
Other expenses:		
Interest on lease liabilities	7,086	2,906
Advertising	168,232	180,163
Unification costs	4,160	172,493
Computer expenses	302,009	104,753
Consultants	605,072	652,987
HR Support	125,777	65,721
Research expenses	31,203	145,486
Project expenses not acquitted (a)	502,778	-
Project IT	302,150	311,336
Publication	100,478	170,787
Telecommunications	53,994	56,285
Other expenses	1,480,215	928,226
Total other expenses	**3,683,154**	**2,791,143**
Total expenses	**7,330,858**	**5,920,513**

(a) There were no project expenses that were not acquitted in 2021.

Note 5: Cash and Cash Equivalents

	2022 $	2021 $
Cash on hand	500	288
Cash at Bank	2,733,001	1,599,720
Short-term deposits at bank (b)	977,964	5,071,528
	3,711,465	**6,671,536**
Cash tied to unexpended grants	**502,784**	**-**
Cash unrestricted	**3,208,681**	**6,671,536**

(b) Term deposits for 2022 are managed by Morgan Stanley. These deposits have different maturity dates ranging from 150 -180 days and average interest yield of 1.9%

Note 6: Investments

Current

	2021 $	2021 $
Investments measured at fair value through profit or loss	9,984,586	6,924,457
Investment recorded at cost	5	5
Total Investments	**9,984,591**	**6,924,462**

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

	2022 $	2021 $
Opening balance	**6,924,462**	**6,044,643**
Contributions during the year	3,827,000	-
Net realised and unrealised gain/(loss)	(766,871)	879,819
Net change for the year ended	**3,060,129**	**879,819**
Closing balance	**9,984,591**	**6,924,462**

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

Note 7: Trade and Other Receivables

	2022 $	2021 $
Current Assets		
Trade Receivables (c)	26,253	28,269
Total trade receivables from contracts with customers	**26,253**	**28,269**
GST Receivables	7,782	57,987
Sundry Debtors	17,387	60,819
Total Other Receivables	**25,169**	**118,806**
Total Trade and Other Receivables	**51,422**	**147,075**

(c) Management estimates the expected credit losses for trade receivables to be nil as at 30 June 2022.

Note 8: Property, Plant and Equipment

	2022 $	2021 $
Plant and Equipment – At cost	443,707	492,178
Accumulated Depreciation	(385,692)	(444,759)
	58,015	**47,419**
Motor vehicles – At cost	19,577	57,013
Accumulated Depreciation	(13,502)	(40,732)
	6,075	**16,281**
Leasehold Improvements – At cost	230,420	176,240
Accumulated Depreciation	(184,388)	(161,699)
	46,032	**14,541**
Total Property, Plant and Equipment	**110,122**	**78,241**

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 2020	**17,042**	**-**	**64,111**	**81,153**
Additions	48,972	-	1,900	50,872
Unification Assets (WDV)	32,213	21,864	-	54,077
Depreciation expense	(50,808)	(5,583)	(51,470)	(107,861)
Balance at 30 June 2021	**47,419**	**16,281**	**14,541**	**78,241**
Additions	45,332	-	56,080	101,412
Disposals	(94)	(6,802)	-	(6,896)
Depreciation expense	(34,642)	(3,404)	(24,589)	(62,635)
Balance at 30 June 2022	**58,015**	**6,075**	**46,032**	**110,122**

Note 9: Right of Use Asset and Lease Liabilities

The Foundation leases its office in Surrey Hills, Victoria. The lease for Suite 1 concluded on 30 June 2022 and the Foundation has exercised the option to extend the lease to 30 September 2023.

The Foundation leased additional space, Suite 6, from 16 September 2021. This lease concludes on 15 September 2022 and there is an option to extend the lease for two further terms of one year.

Rental per annum is $116,951 (Suite 1) and $35,700 (Suite 6) payable in monthly instalments.

	2022 $	2021 $
(i) AASB 16 Related amounts recognised in the balance sheet		
Leased Building	544,807	363,662
Accumulated amortisation	(362,062)	(212,180)
Total Right of Use Asset	**182,745**	**151,482**
(ii) Commitments - AASB 16 Lease Liabilities		
Not later than one year	150,713	115,353
Later than one year	36,131	30,011
Total Lease Liabilities	**186,844**	**145,364**
Amortisation charge of right-of-use assets	149,882	103,031
Interest expense	7,086	2,906
Total recognised in statement of profit or loss	**156,968**	**105,937**

Note 10: Trade and Other Payables

	2022 $	2021 $
Trade Payables	330,398	129,548
Accrued Liabilities	125,797	111,689
Liability for Taxes Payable	45,480	57,313
Grant Program	-	525,743
Sundry Payable	-	7,015
	501,675	**831,308**

Trade payables are unsecured and are usually paid within 7 days of recognition.

Note 11: Employee Benefits

	2022 $	2021 $
Current		
Provision for Annual Leave	146,803	171,903
Provision for Long Service Leave	111,035	132,562
	257,838	**304,465**
Non-Current		
Provision for Long Service Leave	67,234	50,346
	67,234	**50,346**
Total Provision for Employee Benefits	**325,072**	**354,811**
Employee Benefits Provision Movement:		
Opening Balance	354,811	246,196
Raised during the year	93,323	164,317
Used during the year	(123,062)	(55,702)
Closing balance	**325,072**	**354,811**

Note 12: Income Received in Advance

	2022 $	2021 $
Membership Fees received in advance	64,562	65,288
Conference Revenue received in advance	21,181	-
Grant Revenue received in advance (d)	502,784	-
Total Income in Advance	**588,527**	**65,288**

(d) There was no Grant Revenue received in advance in 2021

Note 13: Net Cash Flow from Operating Activities

	2022 $	2021 $
Operating Surplus/ (Deficit)	(145,021)	1,074,863
Add: Amortisation on Right of Use Assets	149,882	103,030
Add: Depreciation	62,635	107,861
Add: Gain/Loss on revaluation of investment	766,871	(879,814)
Less: Gain on sale of Fixed Assets	(15,831)	-
Interest expense on lease	7,086	2,906
(Increase) Decrease in Prepayments	(530)	16,683
(Increase) Decrease in Receivables & Investments	103,669	(87,603)
Increase (Decrease) in Accounts Payable	196,093	(55,412)
Increase (Decrease) in Provisions	(29,739)	133,817
Increase (Decrease) in Revenue Received in Advance	(2,504)	(9,328)
Net Cash from Operating Activities	**1,092,611**	**407,003**

Note 14: Related Party Disclosures

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

Assoc Prof Michael Murray
Dr Ian Tucker
Dr Janet Chase
Ms Rosemary Calder
Ms Karen Allingham
Ms Jacinta Crickmore
Ms Lesley Barton
Dr Ashani Couchman
Ms Claire Richards
Ms Peta Titter
Dr Kathryn Sloots
Dr Jenny King
Mr Michael Croker
Ms Celia Bolton

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 Foundation business.

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

	2022 $	2021 $
Key management remuneration	524,729	470,634

Note 15: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
Financial assets		$	$
Financial assets at amortised cost:			
Cash and cash equivalents	**5**	3,711,465	6,671,536
Trade and other receivables	**7**	51,422	147,075
Investments	**6**	9,984,591	6,924,462
Total Financial assets		**13,747,478**	**13,743,073**
Financial liabilities			
Financial liabilities at fair value through surplus or deficit:			
Trade and other payables	**10**	501,675	831,308
Lease liabilities	**9**	186,844	145,364
Total Financial liabilities		**688,519**	**976,672**

Note 16: Contingent Liability and Commitments

The company does not have any contingent liabilities and commitments as at 30 June 2022.

In the year ended 30 June 2021 the Company had received a claim asserting the infringement of another parties copyright to a certain publication. The company have disputed this claim and have received no further response from the claimant at the date of this report. The company did not have any other contingent liabilities as at 30 June 2021 other than that which have been disclosed.

Unused facilities as at 30 June 2022:

Unused facilities as at 30 June 2021:	$
Business Credit Card Limits (ongoing)	50,000
Merchant Facilities (ongoing)	215,000
Indemnity Guarantee	39,841

Note 17: 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 18: 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 19: Subsequent Events

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.

The Foundation signed a funding agreement in June 2022 to provide the Continence SMART Care project until 30 June 2024.

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 26, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
   a. comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and
   b. give a true and fair view of the financial position of the company as at 30 June 2022 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
Melbourne

Claire Richards
DIRECTOR

Dated: 13 October 2022

walker wayland Advantage

Chartered Accountants & Advisors

Walker Wayland Advantage Audit Partnership

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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 (the 'Foundation'), which comprises the statement of financial position as at 30 June 2022, 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 2022 and of its financial performance for the year then ended; and

(b) complying with AASB 1060: *General Purpose Financial Statements for For-Profit and Not-for-Profit Tier 2 Entities* ("SDS") 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 Foundation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including the independence standard)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other Than the Financial Report and Auditor's Report
The directors are responsible for the other information. The other information comprises the information included in the Foundation's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report
The directors of the Foundation are responsible for the preparation and fair presentation of the financial report in accordance with SDS 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.
The directors of the Foundation are responsible for overseeing the Foundation's financial reporting process.

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

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

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

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

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

Dated in Melbourne on this 13th day of October 2022

Continence Foundation of Australia

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