



Arthritis
SOUTH AUSTRALIA

2021/22 ANNUAL REPORT

**ARTHRITIS FOUNDATION OF
SOUTH AUSTRALIA INC.**

ABOUT US

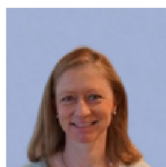
BOARD MEMBERS



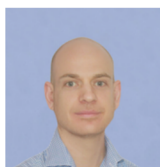
David Waterford
Board President



Dr Tiffany Gill
Vice President



Dr Fiona
Goldblatt
Medical Director



Scott Martin
**Treasurer &
Director**



Anne Young
Director



Michele Herriot
Director



Justin Sharman
**Director &
Secretary**



Steven Smith
Director

PREVIOUS BOARD MEMBERS



Danielle Dunlevey
Director
Until March 2022



The left side of the page features a vertical orange band. Within this band, the word "arthritis" is written in a large, lowercase, serif font, and "AUSTRALIA" is written in a smaller, uppercase, sans-serif font below it. The background of the band is a photograph of a modern building with large glass windows and doors, reflecting the sky and surrounding environment.

arthritis
AUSTRALIA

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**"Help and hope
for those living
with arthritis"**



a year's overview

PRESIDENT'S REPORT

The Arthritis Foundation of South Australia (Arthritis SA) relies upon the generosity of people like you to help us provide advocacy, support services and education programs that benefit South Australian living with arthritis.

“Thank you for your support in 2021-22!”

This annual report is a snapshot of the impact of your investment of trust and resources in us. The report is also how we account to our members, donors and benefactors for our successes, and share our challenges and the stories of resilient South Australians with arthritis.

As the report shows, over this 2021-22 reporting period, Arthritis SA has had significant successes in growing our impact, improving our accountability and effectiveness, and strengthening our financial sustainability.

I want to acknowledge the Foundation's staff, led by our Chief Executive Officer Steve Morris, for the magnificent work they have done to deliver these achievements.

However, there remain big challenges for Arthritis SA, and the Board of Directors have worked throughout this year to investigate ways to better navigate and overcome them. In this work, we have been ably supported not just by our CEO but also external expertise.

I acknowledge the input of Sherbon Advisory, Flat Earth Direct and Grail Group Consultants this year. Their advice regarding strategic opportunities, fundraising and development of therapeutic services has been invaluable in charting a sustainable future for the Foundation.

Also during this year, Arthritis SA made concerted efforts to build our relationship with The Hospital Research Foundation Group (THRFG).

It is the hope of the Board that the Foundation's members will support our thinking that a partnership with THRFG will better advance our aspiration to be a "help and hope for people living with arthritis".

At an operational level, our CEO and staff have been supported by several collaborators and trusted suppliers. In this regard I would like to specifically acknowledge the positive relationships we have with the Australian Rheumatologist Association (SA Branch), Adelaide Hydrotherapy, Novita, and NfPAS (Not for Profit Accounting Specialists).

“Finally, I would like to thank my fellow directors for the time, energy and expertise you have volunteered to Arthritis SA.”

This includes the excellent work of the Board's Education, Research & Advocacy Sub-Committee and Finance, Audit & Risk Sub-committee.

David Waterford



Board President



a year's overview

CEO'S REPORT



This year has been my first full year as Arthritis SA CEO and I have come to really appreciate the significant challenges faced by those living with arthritis.

I am extremely proud of our achievements this year in advocacy, enhancing our education and services and securing funding to support activities for those living in country South Australia. During 2021 we focused considerable efforts on advocating for those living with arthritis prior to the state election.

We were successful in securing commitments from the new SA Government across all our requests, including multiyear financial support for our Information Line, an increase in rheumatology capacity in paediatric and adult public sector services and a commitment to review the model of care for OA across all public hospitals.

Taken together these commitments, we hope, will contribute to improved outcomes for those living with arthritis.

We were successful in securing a number of grants including two large multiyear grants from Country SA PHN focusing on arthritis activities and education in rural and remote SA.

Our reboot grant aims to empower older South Australians to self-manage their arthritis through online exercise programs and support.

The Answering the Big Questions grant aims to deliver a suite of campaigns, services, education and resources to consumers and health professionals.

During the year we successfully developed and implemented a new website and at the same time increased the educational content on the site. We actively sought collaborative opportunities with universities and research institutions to progress research that we believe could lead to reducing the impact of arthritis on individuals and communities.

I was also delighted that we were able to deliver our Kidsflix events to many more locations again following the impact of COVID on recent years.

Despite the successes of this year, the viability of charities such as ours is continually challenged in the current financial environment. For this reason, the organisation conducted an independent review of potential governance options going forward which would both sustain the organisation and potentially facilitate more impact.

The preferred option of joining The Hospital Research Foundation Group is being fully explored and may ultimately be beneficial to those living with arthritis.

“Finally, I would like to thank all the staff of arthritis SA, stakeholders, members and our kind donors, without whom we would be unable to make a difference to those living with arthritis.”

Best Wishes,

Steve Morris



Chief Executive Officer



A year's overview

HEALTH SERVICES

The past financial year has seen several changes within the Health Services team and the services it provides.

In February, Arthritis SA was pleased to be able to recruit several new health educators to help support our work across the Information Line, community programs, and our ever-expanding online and social media work.

While in-person visits to our health educators for information have shown a marked decline since COVID, phone calls and email queries to our Information Line have continued at a consistent pace with 981 contacts in the past financial year. This is a 9.6% increase from the previous year.

After recommencing face-to-face workshops this year, COVID has continued to present many challenges, particularly with the forward planning and running of seminars and other face-to-face events.

The team's ability to be agile in response to these challenges has seen strong continued engagement with community groups and organisations.

We have delivered 50 community talks to over 920 people and four cycles of our in-depth self-management program '10 Steps to Living Well with Arthritis'.

Face-to-face seminars have proved more challenging and following a number of trials with different formats and venues, we found short online seminars to be successful with over 135 people viewing our 'Understanding Scleroderma' video, in comparison to the average amount of fewer than 10 people at our face-to-face seminars.

Thanks to a number of grants, we have been able to actively continue our work in regional SA and to further develop targeted online content and other materials. We are excited for the completion and launch of a number of these ongoing projects in the next financial year.



During the year, Arthritis SA has continued to actively seek grant opportunities that allow us to continue to research and develop programs and provide services across our many-faceted arthritis community. While grant funding is always a competitive environment, we were very pleased to be awarded several grants this financial year.

An Onkaparinga Council grant has allowed us to provide nine community talks to over 240 community members living in the council region. Community groups were enthusiastic about this opportunity, saying it was "very interesting and informative" and "well worth their time" after COVID restrictions and the response was overwhelmingly positive with 90% of attendees saying they would recommend this to friends. These smaller council grants allow us to focus work in communities where areas of need have been identified.

A grant from The Office for Ageing Well allowed us to form a consumer focus group to inform the development of a new Arthritis SA leaflet, which we are excited to launch in over 200 GP surgeries in metropolitan SA in late 2022.

Many members of the focus group have indicated they would like to be involved in future projects.

To support children and families with JIA we received a grant from the Rotary Club of Adelaide, which allowed us to purchase iPads for use by children to help reduce their stress and anxiety and cope better with injections as well as other medical procedures when they attend appointments at the Rheumatology clinic at the Women's and Children's Hospital.

The Country SA PHN has awarded Arthritis SA two substantive grants this financial year. 'Arthritis; Answering the Big Questions' takes a multifaceted approach to providing information and education to South Australians living in regional areas. In addition to webinars and short courses for the public and videos about arthritis being developed for use in GP surgeries as part of this grant, we have developed a new program 'Signpost for Scleroderma', which is freely available on our website for people living with this complex condition.

This work will continue into 2023 with visits to 12 regional communities, additional online resources and the development of a new resource pack for schools that have children with JIA attending and a new innovative program 'About Arthritis' targeted at regional and communities and groups where Arthritis SA is unable to visit in person.

The Kiwanis Club of Glenelg gifted us 11 Buzzys to make it easier for our kids receiving their arthritis medications by injections.

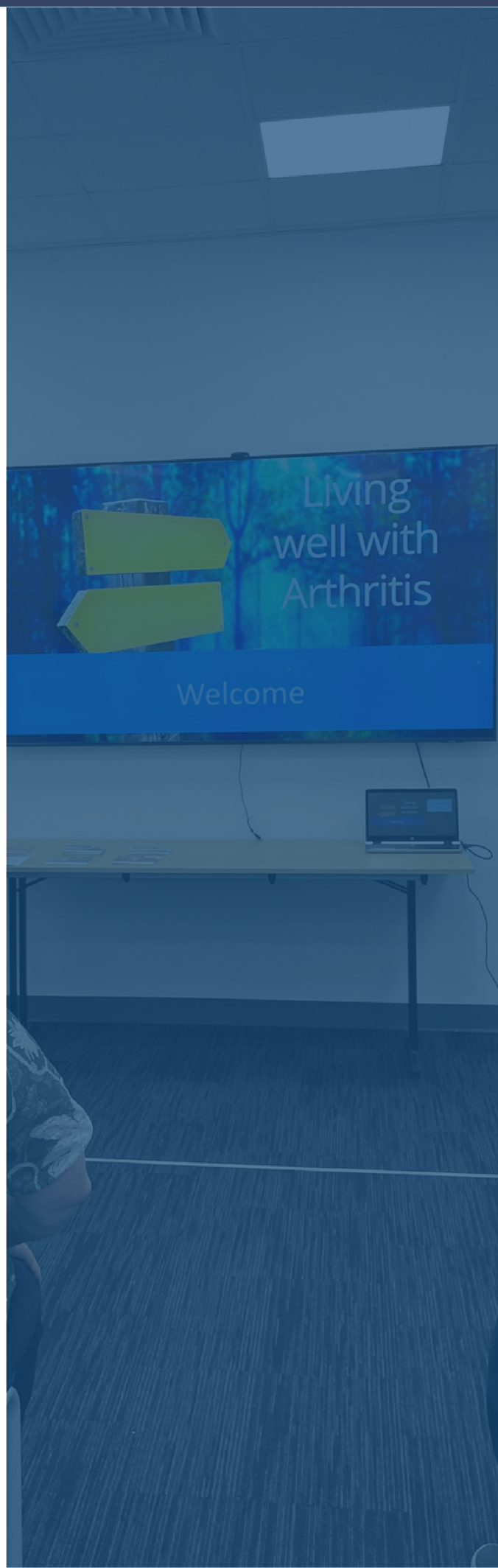
Buzzys are a combo of a small vibrating bee and an ice pack, which helps to confuse the body's nerves and distracts attention away from the pain of the injection.



We are excited to report our other successful Country SA PHN grant 'Reboot Your Life' has been funded for 3 years. The first phase, which commenced this year provides people over 50 with arthritis in regional SA the opportunity to participate in a free 10-week self-management and exercise program to help learn about their arthritis, ways to manage and develop skills in mindfulness and exercise, all of which are key steps to living well with arthritis. Future developments will include programs for specific types of arthritis, for people who do not have internet access and groups and indigenous South Australians.

SA Health has awarded Arthritis SA a substantive four-year grant specifically for the ongoing work and development of our Information Line. This has allowed us to appoint nursing staff to the Information Line and expand the hours the line operates. In coming years the funding will allow us to explore ways in which we can further develop the Information Line to support more South Australians.

After the challenges and changes of recent years, the Health Services team has been buoyed by the success of the grants and work we have engaged in this past financial as part of our ongoing goal of supporting the multi-faceted needs of the South Australian community. The longer-term nature of several of the grants provides an exciting opportunity for us to continue our work in the future.



a year's overview

HYDRO REPORT

There has been a few new and exciting changes and additions in 2022 for the Arthritis SA hydro program.

We introduced our Hydro Move program which gave us the opportunity to provide individualised hydro programs as well as pre and post program assessments to help people track their health and progress toward achieving their goals.

In 2022 there was also an increased number of hydro classes offered per week from 6 in 2021 to 10 in 2022, including the addition of two hydro fit classes in the evenings to help support people who work.

We have a lot planned for 2023 including expanding hydro offerings in more locations to continue supporting South Australians to live well with their arthritis so keep an eye on our eNews, Facebook and website to make sure you are up to date with the latest announcements.

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**HYDROTHERAPY
CLASSES
DELIVERED IN
THE YEAR**



a year's overview

RESEARCH

Arthritis SA continued to support research as one of the core purposes of the organisation.

Dr Felicity Braithwaite and her team at UniSA have been making interesting progress for the Arthritis SA John Stuart Colville Science Scholarship.

In partnership with Consumer and Stakeholder Advisory Panels, they have identified and developed a concept for the research program to address and dispel harmful osteoarthritis myths across society through a media campaign.

They have commenced co-creating 'myth-busting' educational messages and resources with the Advisory Panels, including an animated video called 'The Cartilage Story'.

The research they have conducted to date will be published in a peer-reviewed journal.



Dr Kimti Kumar was awarded the Post Graduate Rheumatology Grant at the 2021 Australian Rheumatology SA branch (ARA SA) scientific meeting on the 22nd October. Dr Kumar currently works as a rheumatology advanced trainee at Flinders Medical Centre.

The grant, which is jointly supported by the ARA SA and Arthritis SA, will support Dr Kumar to embark on research aimed at identifying and reviewing treatments for Raynaud's syndrome in scleroderma. One element of the research will determine the efficacy of heated gloves as part of a randomised trial.

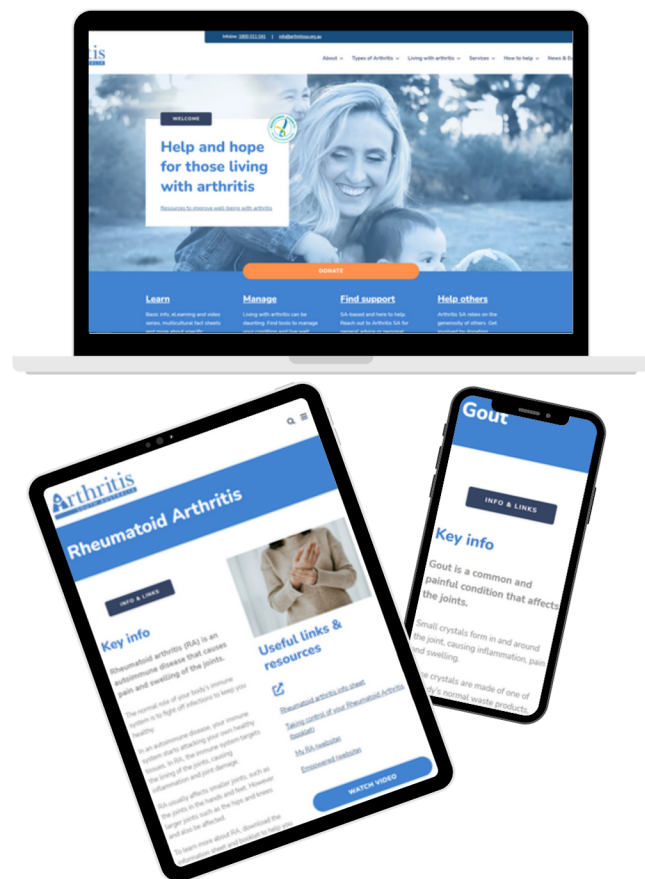
NEW WEBSITE

Starting in late 2021, Arthritis SA began the process of upgrading our website.

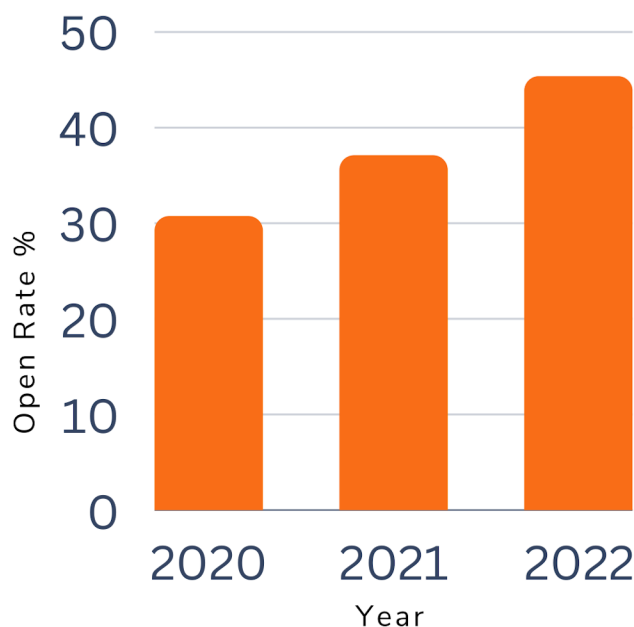
The new website was developed as part of a larger ICT upgrade with the aim of improving the user experience for anyone looking for information on arthritis and arthritis related conditions.

Some of what's new includes:

- New layout with updated design making the website easier to navigate and find information
- New event calendar that makes it easier for people to find and book into events
- Updated blog design that allows us to provide up-to-date information
- Streamlined donation process
- Short film produced to highlight our work



ENEWS



A decision was made to increase the frequency of the eNews from monthly to fortnightly. This decision was made with the aim of increasing the engagement of the existing stakeholders with the organisation, and attracting new stakeholders to our mailing list and by extension the organisation.

As a result, the average open rate for the eNews continues to improve.

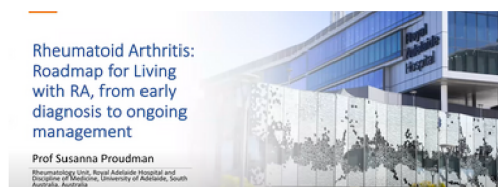
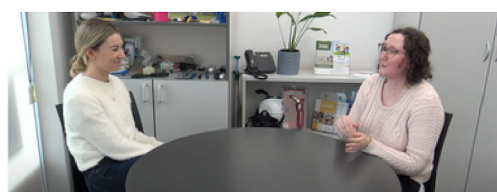
2021

WORLD ARTHRITIS DAY

World Arthritis Day, is an international day raising awareness of the impact of rheumatic and musculoskeletal diseases.

In 2021, to highlight the importance of the awareness day, Arthritis SA released a series of videos of consumer stories, interviews and expert presentations over the week.

- Professor Catherine Hill talked about the importance of World Arthritis Day.
- Physiotherapist Matthew Beard highlighted the importance of exercise.
- A hydro participant Cassie explained how hydrotherapy helped her.
- Professor Susanna Proudman presented the roadmap for living with rheumatoid arthritis.
- Living with Lupus presented by Dr Fiona Goldblatt.
- One of our education session participants Christine talked about how our services have helped her.
- Dr Madeleine Bryant talked about her research.



KIDSFLIX



Kidsflix events are free movie screenings for children living with juvenile arthritis, other illnesses and medical conditions or living in social disadvantage. The mornings include entertainment for an hour before the movie starts along with free popcorn and drink for each attendee.



Kidsflix is a 100% FREE event for all attending and is unique in that it acknowledges the impacts of social disadvantage, disability and illness has on the children and the family unit. Kidsflix recognises the vital importance and need for families to be able to enjoy activities together in a warm, friendly and inclusive environment.



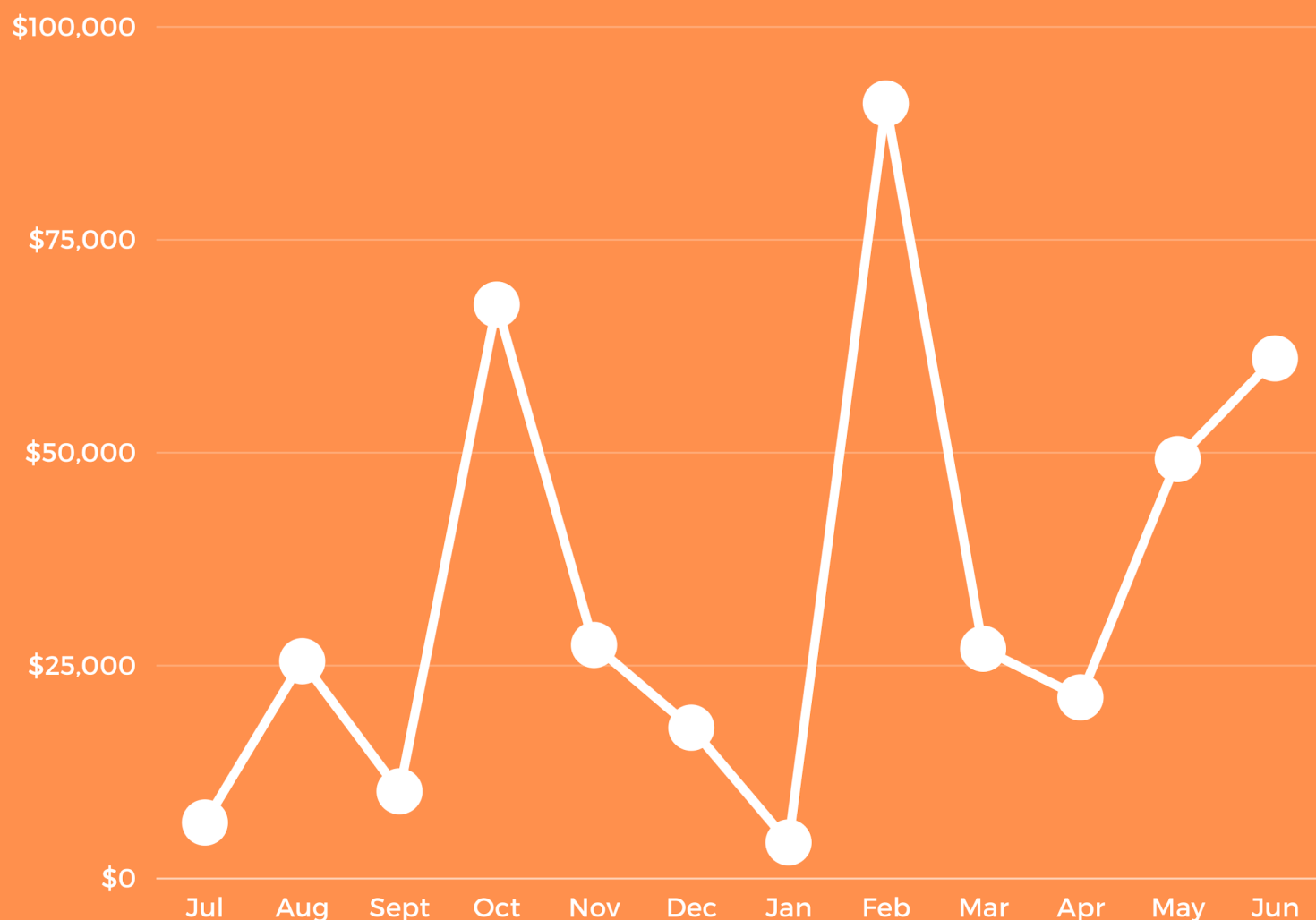
While some events were cancelled due to covid restrictions, a total of 16 Kidsflix events nationwide with reduced capacity were held with over 1,300 eligible children and their families/carers attended.



**Many thanks to
the donors,
volunteers and
sponsors who
made these
events
possible!**



FUNDRAISING MONTH BY MONTH



FUNDRAISING

Fundraising strategic review was completed to improve the effectiveness and efficiency. The decision was made to reduce the number of appeals from four to three times a year and the lottery campaigns were discontinued.

The new Kidsflix fundraising model without the Contact Centre made substantial progress in program efficiencies and resulted in significant net revenue contribution from the initiative.



a year's overview

TREASURER'S REPORT

The Foundation's financial performance for the 2022 financial year represented a material improvement compared with 2021 driven by further reductions to operating expenses, a significant increase in bequests and new grant income. As a result, the Foundation's total loss for the year was ~\$240k compared with ~\$860k in 2021.

The Foundation secured several grants during the financial year including two multiyear grants from Country SA PHN totalling \$800k. A multiyear commitment of \$400k was also secured from SA Health to support our Information line from July 2022.

While the Foundation remains in a sound financial position with net assets of ~\$4.1m at 30 June 2022, comprised primarily of our investment portfolio, the Board is continuing to focus on the

creation of a long term sustainable operating model to ensure the viable ongoing operations of the Foundation.

With this in mind, the Board considered several alternatives to support financial sustainability and enhance impact. A decision was made to progress consideration of the preferred option of joining The Hospital Research Foundation Group.

This has the potential to provide long term financial stability at a time when small not for profit organisations are struggling to maintain viability.

The Foundation would have access to significant governance, cyber/ICT, legal, marketing, fundraising, communications, finance, and admin resources from THRFG to support both financial sustainability and facilitate a focus on impact.

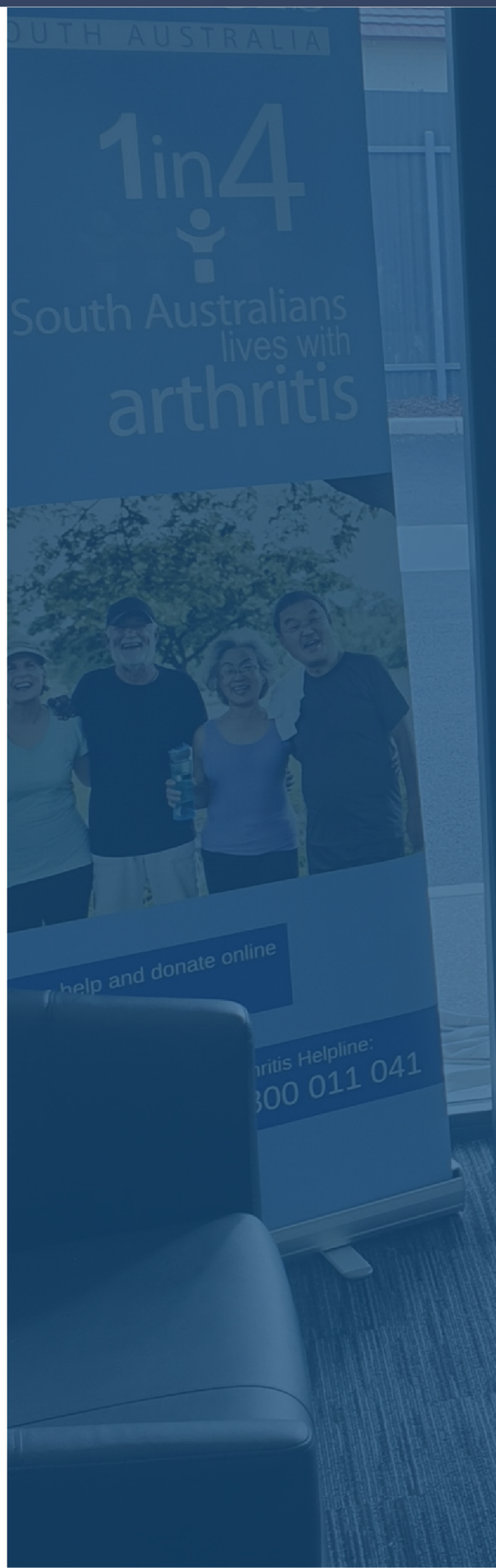
With severe volatility in global markets throughout 2022, the Foundation's investment portfolio returned a loss of 8.75%. The portfolio continues to remain actively monitored by our Finance, Audit & Risk committee in conjunction with our investment managers Morgan Stanley.

We will continue to actively pursue new funding opportunities and remain focussed on enabling the ongoing financial sustainability of the Foundation to enable the ongoing delivery of services in support of those living with arthritis in South Australia.

Kind Regards,



Scott Martin
Treasurer & Director



ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED
Financial Statements
for the year ended 30 June 2022

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ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
REVENUE			
Revenue from ordinary activities	2	464,773	491,991
Less:			
COST OF SERVICES			
Employee benefits expenses	3	722,915	854,060
Depreciation and amortisation expenses	3	132,633	153,280
Research	3	60,500	47,690
Other expenses from ordinary activities	3	488,600	598,902
TOTAL COST OF SERVICES		1,404,648	1,653,932
NET COST OF PROVISION OF SERVICES		(939,875)	(1,161,941)
Funded by			
Grants	2	176,143	420,168
Donations		30,495	17,476
Investing activities	2	151,764	107,836
Bequests	2	341,668	25,130
Other expenses outside operating activities:			
Profit on disposal of investments		-	13,044
Loss on disposal of fixed assets		(920)	(282,870)
TOTAL LOSS FOR THE YEAR	16	(240,725)	(861,157)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Net fair value gain/(loss) on financial assets during the year	17	(529,151)	318,647
Item that will not be reclassified subsequently to profit or loss:			
Other comprehensive income for the year		(529,151)	318,647
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(769,876)	(542,510)

The accompanying notes form part of these financial statements

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Statement of financial position

for the year ended 30 June 2022

		2022 \$	2021 \$
	Note		
CURRENT ASSETS			
Cash and cash equivalents	5	97,476	21,482
Trade and other receivables	6	87,550	97,083
Inventories	7	-	371
Other assets	8	12,751	7,660
TOTAL CURRENT ASSETS		197,777	126,596
NON CURRENT ASSETS			
Other financial assets	9	4,180,536	4,904,542
Plant and equipment	10	895,827	1,024,084
Intangible assets	11	835	835
TOTAL NON CURRENT ASSETS		5,077,198	5,929,461
TOTAL ASSETS		5,274,975	6,056,057
CURRENT LIABILITIES			
Trade and other payables	12	106,652	25,893
Provisions	13	86,180	65,089
Lease Liability	14	83,108	83,108
TOTAL CURRENT LIABILITIES		275,940	174,090
NON CURRENT LIABILITIES			
Provisions	13	6,451	16,026
Lease Liability	14	858,493	961,973
TOTAL NON CURRENT LIABILITIES		864,944	977,999
TOTAL LIABILITIES		1,140,883	1,152,090
NET ASSETS		4,134,092	4,903,968
EQUITY			
Retained earnings	16	4,238,111	4,478,836
Reserves	17	(104,019)	425,132
TOTAL EQUITY		4,134,092	4,903,968

The accompanying notes form part of these financial statements

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Statement of changes in equity

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Retained Earnings	16		
Opening balance at 1 July		4,478,836	5,339,993
Add: Profit/(Loss) for the year		(240,725)	(861,157)
		<u>4,238,111</u>	<u>4,478,836</u>
Add: Transfers (to)/from reserves		-	-
Retained profits at 30 June		<u>4,238,111</u>	<u>4,478,836</u>
 Investment Fluctuation Reserve	17		
Opening balance at 1 July		425,132	106,485
Add: Transfers (to)/from retained earnings		-	-
Add: Other comprehensive income for the year		(529,151)	318,647
Closing balance at 30 June		<u>(104,019)</u>	<u>425,132</u>
 TOTAL EQUITY		<u>4,134,092</u>	<u>4,903,968</u>

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Statement of cash flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		1,174,644	970,546
Interest and dividends received		-	-
Payments to suppliers and employees		(1,184,730)	(1,439,759)
NET CASH (USED IN) OPERATING ACTIVITIES		(10,086)	(469,213)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,296)	(979)
Proceeds from investments		194,856	(2,332,746)
Proceeds from sales of fixed assets		-	2,976,071
NET CASH PROVIDED BY INVESTING ACTIVITIES		189,560	642,346
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of lease liabilities		(103,480)	(218,270)
NET CASH (USED IN) FINANCING ACTIVITIES		(103,480)	(218,270)
NET CHANGE IN CASH HELD		75,994	(45,137)
CASH AT THE BEGINNING OF FINANCIAL YEAR		21,482	66,619
CASH AT THE END OF FINANCIAL YEAR	5	97,476	21,482

RECONCILIATION OF OPERATING PROFIT TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating loss		(240,725)	(861,157)
Non cash movements included in loss			
Depreciation	3	132,633	153,280
(Profit)/Loss on disposal of investments		-	(13,044)
Loss on disposal of property, plant and equipment		920	282,870
CHANGES IN ASSETS AND LIABILITIES			
Decrease in receivables		9,531	60,468
Decrease in inventories		371	898
Increase / (decrease) / creditors, accruals and grants		80,759	(128,153)
Increase / (decrease) in provisions		11,516	(50,929)
(Increase) / decrease in other assets		(5,091)	86,554
NET CASH (USED IN) OPERATING ACTIVITIES		(10,086)	(469,213)

The accompanying notes form part of these financial statements

The financial statements cover Arthritis Foundation of South Australia Incorporated as an individual entity, incorporated and domiciled in Australia.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Management have prepared the financial statements on the basis that the entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the Board have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods 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 unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues 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. Inventory on Hand

Inventories are measured at the lower of cost and current replacement cost.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. **Property, Plant and Equipment**

Property

Freehold land and buildings are shown at their fair value. Valuations are performed whenever the Boards believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the Asset revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of plant and equipment 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.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. **Leases**

The lease liabilities are measured at the present value of the remaining lease payments. The Foundation used the interest rate implicit in the lease as at commencement date of the lease to discount the lease payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The Foundation recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Foundation, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Foundation depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The Foundation also assesses the right-of-use asset for impairment when such indicators exist.

e. **Financial Assets**

Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. This is equivalent to the date that the entity commits itself to either the purchase or the sale of the asset (ie 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.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- 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.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- 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; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 amount 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 immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited 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 same class of asset.

g. **Employee Provisions**

Short-term employee benefits

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

The Foundation's obligations for short-term employee benefits such as wages, salaries and on-costs are recognised as part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employees' superannuation funds and are charged as expenses when incurred.

h. **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. 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.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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**

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

n. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period which remain unpaid.

o. **Critical Accounting Estimates and Judgements**

The Board evaluates 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 Foundation.

Key estimates

(i) *Impairment*

The Foundation assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Foundation that may be indicative of impairment triggers.

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Notes to the financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
Note 2: Revenue		
<u>Operating activities</u>		
Fees and courses	785	-
Room rental	17,046	-
Hydrotherapy	25,774	18,754
Kidsflix programs	290,416	275,370
Lotteries and appeals	103,145	103,805
Other	4,232	4,776
Management fee received	16,684	62,861
Members subscriptions	6,691	26,425
	<u>464,773</u>	<u>491,991</u>
<u>Grants</u>		
Govt Covid support	-	299,300
SA Health grants	154,607	101,730
Arthritis Aust & other non-govt grants	21,536	19,138
	<u>176,143</u>	<u>420,168</u>
<u>Investing activities</u>		
Investment income	178,934	128,921
	<u>178,934</u>	<u>128,921</u>
Less:		
Brokers fees / Investment expenses	27,170	21,085
	<u>151,764</u>	<u>107,836</u>
<u>Bequests</u>	<u>341,668</u>	<u>25,130</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 3: Cost of Services

Operating activities

	2022 \$	2021 \$
Profit from ordinary activities has been determined after the following expenses		
<u>EXPENSES</u>		
Accounting - outsourced	63,867	38,848
Advertising	2,805	19,850
AFA Affiliation fees	22,467	13,490
Audit fees	6,500	10,005
Bank charges	7,492	7,052
Building expenses	18,759	37,135
Commisson on sale of building	-	32,500
Computer expenses	109,109	103,591
Consultants fees	43,790	19,497
Cost of sales	371	898
Conferences	1,182	4,085
Delivery costs	16,036	-
Function expenses	24,358	25,361
General expenses	17,370	5,031
Health services	1,277	10,243
Hydrotherapy	24,833	14,192
Insurance	18,158	14,556
Lease Interest	37,072	37,670
Legal costs	-	4,640
Lottery	-	27,440
Motor vehicle expenses	192	701
Postage	18,385	21,186
Printing and stationery	11,328	21,860
Rent and outgoings	18,797	29,848
Staff training	1,623	609
Staff recruitment	355	11,608
Telephone	22,227	31,937
Travel	247	2,553
Write Off	-	52,516
Total Other Expenses	488,600	598,902
Research	60,500	47,690
Salaries	607,255	741,915
Contractors	37,738	56,450
Annual leave	7,621	(26,832)
Long service leave	3,051	(1,002)
Superannuation	58,826	65,650
Workers compensation	8,424	17,879
Employee benefits expenses	722,915	854,060
Depreciation	132,633	153,280
TOTAL COST OF SERVICES	1,404,648	1,653,932

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Notes to the financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
<u>Note 4: Auditor's Remuneration</u>		
Remuneration of the auditor of the foundation for:		
- auditing or reviewing the financial statements	6,500	6,500
- auditing or reviewing the cash lottery report	-	3,505
	<u>6,500</u>	<u>10,005</u>

Note 5: Cash and cash equivalents

Cash on hand	150	305
Cash at bank	<u>97,326</u>	<u>21,177</u>
	<u>97,476</u>	<u>21,482</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:

Cash on hand, cash at bank and on deposit	<u>97,476</u>	<u>21,482</u>
	<u>97,476</u>	<u>21,482</u>

Note 6: Trade and other receivables

CURRENT

Trade receivables	12,477	20,872
Other receivables	7,339	-
Income earned but not received	<u>67,734</u>	<u>76,211</u>
	<u>87,550</u>	<u>97,083</u>

Note 7: Inventories

Stock of books and publications	<u>-</u>	<u>371</u>
	<u>-</u>	<u>371</u>

Note 8: Other Assets

Prepaid expenses	<u>12,751</u>	<u>7,660</u>
	<u>12,751</u>	<u>7,660</u>

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED
Notes to the financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
<u>Note 9: Other Financial Assets</u>		
<u>Other financial assets at market value</u>		
Australian Equities listed	3,412,615	3,982,352
Australian Fixed interest	325,269	-
Global Equities	71,527	373,821
Cash Management Trust	371,125	548,369
	<u><u>4,180,536</u></u>	<u><u>4,904,542</u></u>

Note 10: Plant and equipment

Office equipment at cost	29,051	81,853
Less accumulated depreciation	<u>(19,903)</u>	<u>(68,148)</u>
	<u><u>9,148</u></u>	<u><u>13,705</u></u>
 Right of use assets	 1,143,073	 1,143,073
Less: accumulated depreciation	<u>(256,394)</u>	<u>(132,694)</u>
	<u><u>886,679</u></u>	<u><u>1,010,379</u></u>
	<u><u>895,827</u></u>	<u><u>1,024,084</u></u>

Movements in carrying amounts

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

	Office Equipment	Motor Vehicles	Freehold Improvement	Right of Use Assets	Total
Balance at the beginning of the year	13,705	-	-	1,010,379	1,024,084
Additions	5,296	-	-	-	5,296
Depreciation	(8,933)	-	-	(123,700)	(132,633)
Written back	-	-	-	-	-
Disposals	(920)	-	-	-	(920)
Carrying amount at the end of the year	<u><u>9,148</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>886,679</u></u>	<u><u>895,827</u></u>

Note 11: Intangible assets

Trade Mark - Kidsflix	<u><u>835</u></u>	<u><u>835</u></u>
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Note 12: Trade and other payables

Trade Creditors and accruals	75,274	18,650
Income received in advance	27,816	-
Audit fees	-	6,500
Other payables	3,562	743
	<u><u>106,652</u></u>	<u><u>25,893</u></u>

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

Notes to the financial statements

for the year ended 30 June 2022

	2022 \$	2021 \$
<u>Note 13: Provisions</u>		
CURRENT		
Provision for annual leave	40,520	32,900
Provision for long service leave	44,815	32,189
Other Provision	845	-
	<u>86,180</u>	<u>65,089</u>
NON-CURRENT		
Provision for long service leave	6,451	16,026
	<u>6,451</u>	<u>16,026</u>
<u>NOTE 14: Lease Liability</u>		
CURRENT	83,108	83,108
	<u>83,108</u>	<u>83,108</u>
NON-CURRENT	858,493	961,973
	<u>858,493</u>	<u>961,973</u>

Note 15: Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report as at 30 June 2022 (30 June 2021: None).

Capital expenditure commitments

At reporting date the organisation has not entered into contracts for capital expenditure. The amount are payable:

- not later than one year	-	-
	<u>-</u>	<u>-</u>

Note 16: Retained Earnings

Retained profit at beginning of the financial year	4,478,836	5,339,993
Profit/(loss) for the year	(240,725)	(861,157)
Transfer from/(to) investment fluctuation reserve on sales of investments	-	-
Retained profit at the end of the financial year	<u>4,238,111</u>	<u>4,478,836</u>

Note 17: Reserves

Investment Fluctuation Reserve

Balance at the beginning of the financial year	425,132	106,485
Increment/(decline) in investment portfolio during the year	(529,151)	318,647
Transfer (to)/from retained earnings during the year	-	-
Balance at the end of the financial year	<u>(104,019)</u>	<u>425,132</u>
Total Reserves	<u>(104,019)</u>	<u>425,132</u>

ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA INCORPORATED

STATEMENT BY MEMBERS OF THE BOARD OF MANAGEMENT

In the opinion of the members of the Board of Management of the Arthritis Foundation of South Australia Incorporated:

1. (a) The financial statements are drawn up so as to present fairly the results and cash flows of the Foundation for the financial year ended 30 June 2022 and the state of affairs of the Foundation as at 30 June 2022; and

(b) At the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.
2. The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-Profits Commission Act 2012 and the significant accounting policies to the extent described in Note 1, the provisions of the Associations Incorporation Act 1985, the requirements of the law, other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
3. During the financial year ended 30 June 2022 there were no related party transactions with an officer or a firm of which an officer is a member or a body corporate of which an officer has substantial financial interest.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



.....

Board Member



.....

Board Member

Dated this 27th day of October 2022

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-For Profits Commission Act 2012 to the Members of the Board of Management of Arthritis Foundation of South Australia Incorporated.

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck (SA)
ABN 38 280 203 274



G.W. Martinella
Partner

Dated this 27th day of October 2022.

Arthritis Foundation of South Australia Incorporated

Independent Auditor's Report to Members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Arthritis Foundation of South Australia Incorporated (the Association), 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 statement by members of the board of management.

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

- a) giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Management for the Financial Report

The board of management of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The board of management's responsibility also includes such internal control as the board of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The board of management are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.



William Buck (SA)
ABN 38 280 203 274



Grant Martinella
Partner

Adelaide, 27th October 2022.

TRUST MONIES AND BENEFACTORS

We wish to thank and acknowledge the following Estates, Trusts and Benefactors who chose to make a difference to the lives of those living with arthritis and to give hope for the future.

Albert Dennis Churcher Estate

Australian Community Foundation - The Lane Family Fund

Bert and Ella Miers Trust

Betty Ward Foundation

Doepke Foundation

Estate of Betty Dawn Harrington

Estate of Cyril Clarence Wilder

Estate of Iolanda Sienkiewicz

Estate of John Burville

Estate of Murial Gulliksen

Estate of Peter Meyers

Gwendolyn Una Thomas Estate

Oliver & Stella Raymond Trust



Thank
you

ACKNOWLEDGEMENTS, SPONSORS AND THANKS

Adelaide Hydrotherapy	Hoyts
Arthritis Australia	Ionian Club of Adelaide (83) Inc
Arthritis NSW	Jonny's Popcorn
Arthritis QLD	Kiwanis Club of Glenelg
Arthritis TAS	Morgan Stanley
Arthritis WA	Mount Gambier City Lions Club
Australian Coastal Safaris	Nippy's
Australian Communities Foundation	NFPAS
Bellis Fruit Bars	Novita
Big W Brickworks	Office for Ageing Well
Calypso Star Charters	Pendletone Estate
Chaffey Theatre	Rhodian Messanagrenos Association SA
City of Charles Sturt	O Taxiarchis Inc
Coles	Rotary Club of Adelaide
Cool 4 Kids	Sherbon Advisory
Cosplay for a Cause	Southern Dewback Garrison - 501st Legion.
Country SA PHN	Subnet
Flat Earth Direct	The Honda Foundation
Girl Guides SA Belair	TickTick Comms
Girl Guides SA Berri	TOTLD Design
Girl Guides SA High Gate	Toymendous
Girl Guides SA Mt Gambier	Wallis Cinemas
Girl Guides SA Riverland	William Buck
Grail Group Consultants	Woolworths Brickworks
Happy Snacks	

We like to thank all of the individuals, community groups, and organisations in metropolitan and regional SA who supported the continued delivery of talks, workshops and seminars despite the ongoing challenges of COVID.

We would also like to thank all of the committee, advocates and members of the four friendship groups associated with Arthritis SA who have continued to meet, and responded to the challenges of COVID in the last financial year.

After reconvening at the beginning of 2022, the Copper Triangle Support Group at Kadina and the Southern Arthritis Friendship & Support Group at Christies Beach unfortunately found that the decline in attendee numbers and the ongoing challenges of COVID planning made it too difficult to continue the groups beyond this year.

The Copper Triangle Support Group dissolved in June 2022 and the Southern Arthritis Friendship & Support Group plans to follow suit in November 2022.

Arthritis SA will continue to support current and emerging friendship groups.

Arthritis SA would like to particularly thank all the past and present committee members and presidents of the Copper Triangle and Southern Arthritis Friendship Support Groups for their dedication and commitment.

Arthritis
SOUTH AUSTRALIA



ARTHRITIS FOUNDATION OF SOUTH AUSTRALIA

Arthritis Foundation of South Australia Incorporated

111A Welland Avenue Welland SA 5007

08 8379 5711

arthritissa.org.au

info@arthritissa.org.au

ABN 53 784 654 861