

Council on the Ageing Queensland Ltd
ABN 13 465 280 311

Annual Report 30 June 2014

Council on the Ageing Queensland Ltd
Directors' report
30 June 2014

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2014.

Directors

The following persons were directors of the company (refer to Note 1 regarding change of structure) during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Howells
Neale Condon
Warren Males
Maree McMahon
Stephen Ring
Robyn Robinson
Linda Rosenman
Margaret Sugden

Short term and long term objectives

The Company's vision is to help shape a more just, equitable, and humane community in which Seniors, through interaction with other generations, grow to their fullest capacity, contribute to their community and have access, with dignity, to appropriate care and support

The Company's mission is to protect and promote the wellbeing of Seniors in Queensland. To this end the Company aims to mobilise seniors, those who work with them, Government, and the community as a whole towards achieving wellbeing and social justice for Seniors.

Strategy for achieving the objectives

- (1) to promote policies, practices and services that advance wellbeing and justice for Seniors and redress any injustice or disadvantage suffered by Seniors;
- (2) to promote the positive contribution of Seniors to their own wellbeing and a more caring and just community;
- (3) to facilitate collaboration within and between Seniors organisations, aged service agencies, Government, the private sector and community groups in working towards wellbeing and social justice for Seniors;
- (4) to promote and engage in research of matters which are of interest and concern to Seniors;
- (5) to advocate on behalf of Seniors their needs, rights, and interests giving priority to those suffering injustice, discrimination, disadvantage or disability;
- (6) to auspice and resource new organisations within the aged sector at State government and local government level to enable those organisations to operate independently;
- (7) to provide assistance directly to Seniors and their carers as well as services, facilities and programs which contribute to the wellbeing of Seniors;
- (8) to undertake, develop, and promote services, facilities, programs, networks and organisations which advance these objects;
- (9) to contribute to positive community understanding of ageing, and to enable all sectors of the community to plan for positive ageing through education, advice, and activities;
- (10) to foster relationships with and assist other organisations working to achieve objects similar to these objects; and
- (11) to participate as an active member of the COTA Federation throughout Australia.

Principal activities

During the financial year the principal continuing activities of the company were the development of policy, practices and services that advanced the wellbeing and justice for older people and to redress any injustice or disadvantage suffered by older people.

Performance measures

The company measures its performance in the agreed services delivered on time within budget and to agreed specifications and through stakeholder satisfaction.

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Information on directors

Name: Peter Howells
Title: Chair
Qualifications: BA, MBA, GAICD, CAHRI

Experience and expertise: Peter Howells is an independent business consultant specialising in providing HR advice and project support to clients ranging from the corporate to the public sector and across a range of industries including professional services, finance, resources and home and community care. He has held senior HR corporate roles for over 20 years. He led HR teams in the Retail Banking and Funds Management sectors, developing solutions and resolving issues to support high performing workplaces.

Special responsibilities: COTA Australia Director

Name: Neale Condon
Title: Vice Chair
Qualifications: BBus, LLB, GAICD

Experience and expertise: Neale has over 25 years' commercial experience as a Company Director, CEO and General Manager. He has worked mainly in the services sector and held specific responsibilities for Finance, Strategy and Corporate Governance. Neale has held senior leadership roles in not for profits in Health and Aged Care. In his role as Director of Finance & Corporate Services with Holy Spirit Hospital he was a key contributor to the planning, construction, commissioning and management of the Holy Spirit Northside Private Hospital in Brisbane. Neale is a foundation Director of Smart Services Cooperative Research Centre Pty Ltd and is also on the Board of Insurance & Membership Services Limited.

Special responsibilities: Non Executive Director Insurance and Membership Services

Name: Maree McMahon
Title: Director
Qualifications: BBus (Acct), FCPA, FAICD

Experience and expertise: Maree has over 12 years' experience as a Director, Treasurer or Committee Chair. She also has over 25 years' experience in top ASX listed and global companies as a respected senior Finance Leader in the Financial Services, Construction and Mining industries. Key achievements have been in financial governance processes and leading change in relation to integration, automation, standardisation and simplification initiatives, as well as sourcing and partnering with service providers. Maree is also a Non Executive Director and the current Chair of the Audit & Risk Committee of Open Minds.

Special responsibilities: Chair of Finance and Risk Committee

Name: Stephen Ring
Title: Director
Qualifications: BEc (Hons), BA, MBA, FCA, GAICD.

Experience and expertise: Stephen has more than 20 years experience in finance and management in the commercial sector in a range of industries including banking and investment advisory, agriculture, construction supplies, real estate, travel, water infrastructure and marine.

Special responsibilities: Member of the Finance and Risk Committee

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Name: Linda Rosenmann
 Title: Director
 Qualifications: BA, DipSocWork, MSW, PhD Ec & Soc Pol, GAICD

Experience and expertise: Linda has researched, published and presented widely on economic security, superannuation and ageing, on financial abuse and aged care, and on intergenerational commitments with a particular focus upon older women

Name: Margaret Sugden
 Title: Director
 Qualifications: MAppFin, Ass FAIM, MAIGD

Experience and expertise: Margaret is a retired Managing Director, Investment Services at QIC, which is one of Australia's largest institutional fund managers with a blend of public and private sector clients. She has extensive experience in strategic and tactical planning and thinking, relationship and change management, advocacy and support, and direction of operations and marketing strategies. Margaret is also a Director of the Queensland Community Foundation Management Company. Queensland Community Foundation (QCF) is renowned as one of Queensland's leading charitable organisations bringing together community, business, education and government leaders to further philanthropic causes across the State. QCF's goals are to provide a cost effective, flexible and financially secure mechanism for those who wish to become involved in philanthropy.

Special responsibilities: Chair of Policy Committee

Name: Warren Males
 Title: Director
 Qualifications: BEc (Hons), MBA, FAICD

Experience and expertise: Warren is currently Secretary for the Global Sugar Alliance, Member of the Australian Sugar Industry Alliance (ASA) Trade Committee, National Farmers Federation (NFF) Trade Committee, and Chairman of the Sugarcane-Gene Technology Group, and advisor for Alliances and International Affairs. Councillor Agricultural Biotechnical Council of Australia (ABCA)

Special responsibilities: Member of the Finance and Risk Committee and Policy Committee

Name: Robyn Robinson
 Title: Director
 Qualifications: BSc DipCSc, MSc, GAICD

Experience and expertise: Robyn has over 30 years' experience in the electricity industry in Queensland where she spent 15 years as an executive manager with responsibility for information technology, corporate development and business improvement. Robyn is currently Vice President of Redlands District Committee on the Ageing, and a director of the Donald Simpson Community Centre. In 2013, Robyn was appointed to the Australian Energy Regulator's inaugural Consumer Challenge Panel and also represents COTA Australia on the Australian Energy Regulator's Customer Consultative Group.

Special responsibilities: Member of the Finance and Risk Committee and Policy Committee

Company secretary

Mark Tucker-Evans Chief Executive, who has had the role of company secretary since 12 June 2014, has over 30 years' experience as a Chief Executive of industry and professional associations.

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Directors' report
30 June 2014

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2014, and the number of meetings attended by each director were:

	Full Board		Finance and Risk Committee	
	Attended	Held	Attended	Held
Peter Howells	8	8	-	-
Neale Condon	6	8	-	-
Maree McMahon	5	6	3	3
Warren Males	8	8	1	3
Robyn Robinson	7	8	3	3
Linda Roseman	5	6		
Margaret Sugden	7	8	-	-
Stephen Ring	8	8	3	3

Held: represents the number of meetings held during the time the director held office, was a member of the management committee before the change of structure or was a member of the relevant committee.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$31,990, based on 3,199 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not for profits Commission Act 2012* is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to the *Australian Charities and Not for profits Commission Act 2012*.

On behalf of the directors



Peter Howells
Director

21 October 2014
Brisbane



Maree McMahon
Director

21 October 2014
Brisbane

Council on the Ageing Queensland Ltd

ABN 13 465 280 311

Auditor's Independence Declaration To the Directors of Council on the Ageing Queensland Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there has been:

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

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

m. Georgiou
Michael Georgiou
Director

Brisbane, 21 October 2014

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Council on the Ageing Queensland Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	3	1,235,980	1,431,345
Expenses			
Consultancy Services		(91,277)	(113,755)
Rent		-	(95,556)
Employee benefits expense		(688,640)	(707,430)
Seniors Week subsidy allocation		-	(90,923)
Depreciation expense		(13,702)	(11,594)
Office expenses		(75,870)	(100,940)
Seminars		(121,207)	(41,629)
Marketing		(27,000)	(2,841)
Other expenses		(132,281)	(152,301)
Profit before income tax expense		86,002	114,377
Income tax expense		-	-
Profit after income tax expense for the year attributable to the members of Council on the Ageing Queensland Ltd		86,002	114,377
Total comprehensive income for the year attributable to the members of Council on the Ageing Queensland Ltd		<u>86,002</u>	<u>114,377</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Council on the Ageing Queensland Ltd
Statement of financial position
As at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	6	614,797	775,538
Trade and other receivables	7	156,383	140,251
Other	8	6,624	9,143
Total current assets		<u>777,804</u>	<u>924,932</u>
Non-current assets			
Property, plant and equipment	9	1,321,219	1,334,028
Investments		5	5
Total non-current assets		<u>1,321,224</u>	<u>1,334,033</u>
Total assets		<u>2,099,028</u>	<u>2,258,965</u>
Liabilities			
Current liabilities			
Trade and other payables	10	45,832	64,387
Employee benefits	11	57,156	28,948
Other	12	85,960	41,707
Total current liabilities		<u>188,948</u>	<u>135,042</u>
Non-current liabilities			
Employee benefits	13	4,200	22,983
Other	14	400,000	681,063
Total non-current liabilities		<u>404,200</u>	<u>704,046</u>
Total liabilities		<u>593,148</u>	<u>839,088</u>
Net assets		<u>1,505,880</u>	<u>1,419,878</u>
Equity			
Retained earnings		<u>1,505,880</u>	<u>1,419,878</u>
Total equity		<u>1,505,880</u>	<u>1,419,878</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Council on the Ageing Queensland Ltd
Statement of changes in equity
For the year ended 30 June 2014

	Retained profits \$	Total equity \$
Balance at 1 July 2012	1,305,501	1,305,501
Profit for the year	114,377	114,377
	<hr/>	<hr/>
Total comprehensive income for the year	114,377	114,377
Balance at 30 June 2013	<hr/>	<hr/>
	1,419,878	1,419,878
	<hr/>	<hr/>
	Retained profits \$	Total equity \$
Balance at 1 July 2013	1,419,878	1,419,878
Profit for the year	86,002	86,002
	<hr/>	<hr/>
Total comprehensive income for the year	86,002	86,002
Balance at 30 June 2014	<hr/>	<hr/>
	1,505,880	1,505,880
	<hr/>	<hr/>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Council on the Ageing Queensland Ltd
Statement of cash flows
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		23,415	23,711
Payments to suppliers and employees (inclusive of GST)		(1,340,713)	(1,291,132)
		(1,317,298)	(1,267,421)
Interest received		29,903	37,432
Donations received		102,864	94,457
Grants received		1,039,687	1,025,518
Receipts from others		122,932	98,617
Net cash from operating activities		(21,912)	(11,397)
Cash flows from investing activities			
Payments for property, plant and equipment		(982)	(26,139)
Distributions		158,095	167,715
Net cash used in investing activities		157,113	141,576
Cash flows from financing activities			
Loans from banks		(295,943)	(34,680)
Net cash from financing activities		(295,943)	(34,680)
Net increase in cash and cash equivalents		(160,742)	95,499
Cash and cash equivalents at the beginning of the financial year		775,539	680,040
Cash and cash equivalents at the end of the financial year	6	<u>614,797</u>	<u>775,539</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has applied AASB 1053 from 1 July 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has applied AASB 2010-2 from 1 July 2013. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements, AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and AASB 2012-11 Amendments to Australian Accounting Standards - Reduced Disclosure Requirements and Other Amendments

The company has applied AASB 2011-2, AASB 2012-7 and 2012-11 amendments from 1 July 2013, to the extent that they related to other standards already adopted by the company. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations to significantly reduce the company's disclosure requirements.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The company has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The company has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Council on the Ageing Queensland Ltd
Notes to the financial statements
30 June 2014

Note 1. Significant accounting policies (continued)

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The company has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The company has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

Change of Structure

On 12 June 2014 Council on the Ageing Queensland Incorporated changed its legal structure to become a company limited by guarantee. This was enabled as on 29 November 2011, the Queensland Government passed amendments to the *Associations Incorporation Act 1981 (Qld)* allowing a seamless migration of an incorporated association to a company limited by guarantee. These amendments commenced on 6 December 2011 under the *Civil Proceedings Act 2011* No. 45 s 1, pt 32 div 1. Pursuant to s 601BM(1)(a) of the *Corporations Act*, the process of migration by an incorporated association to a company limited by guarantee does not create a new legal entity.

General information

The financial statements cover Council on the Ageing Queensland Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Council on the Ageing Queensland Ltd's functional and presentation currency.

Council on the Ageing Queensland Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 October 2014. The directors have the power to amend and reissue the financial statements.

Basis of preparation

Council on the Ageing Queensland Limited applied Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Note 1. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Non-reciprocal grant revenue is recognised in 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 it 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.

Council on the Ageing Queensland Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Interest

Interest revenue is recognised when it is received or receivable.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are classified under short term borrowing in current liabilities on the statement of financial position.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and Fittings	10-15 years
Office equipment	3-7 years
Motor vehicles	5-7 years
Computer equipment	3-5 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Comparative Figures

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

Economic Dependence

Council on the Ageing Queensland Limited is dependent on the Department of Communities Child Safety & Disability Services and the Department of Social Services for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Departments will not continue to support Council on the Ageing Queensland Limited.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

Financial Instruments

Initial Recognition and Measurement

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

Financial instruments 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.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The company does not have any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (i.e. gains or losses) being recognised in profit or loss

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in fair value (i.e. gain or losses) recognised in equity (except for impairment losses and foreign exchange gains and losses which are recognised in profit or loss). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Note 1. Significant accounting policies (continued)

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

No impairment has been recognised in respect of the company's financial instruments.

Fair Value of Assets and Liabilities

The company 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 company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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 and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key Judgements

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Key Estimates

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2014 \$	2013 \$
<i>Other revenue</i>		
Members subscriptions	22,211	24,657
Insurance Commissions	95,009	94,631
Grant Income	809,705	1,032,256
Sundry Income	18,193	5,505
Donations	102,864	94,457
Interest	29,903	39,202
IMS Distribution	158,095	166,650
Profit on sale of asset	-	492
Loss on disposal of Asset	-	(26,505)
Revenue	<u>1,235,980</u>	<u>1,431,345</u>

Note 4. Expenses

	2014 \$	2013 \$
Profit before income tax includes the following specific expenses:		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	58,456	57,280
Depreciation	13,702	11,594
Interest	9,568	19,905

Note 5. Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the company's auditor Hanrick Curran

	2014 \$	2013 \$
Audit of the financial report	<u>6,000</u>	<u>4,500</u>

Council on the Ageing Queensland Ltd
Notes to the financial statements
30 June 2014

Note 6. Current assets - cash and cash equivalents

	2014	2013
	\$	\$
Cash on hand	400	400
Cash at bank	64,397	27,034
Cash on deposit	550,000	748,104
	<u>614,797</u>	<u>775,538</u>

Note 7. Current assets - trade and other receivables

	2014	2013
	\$	\$
Trade Receivables	38,935	18,291
Other receivables	12,148	16,660
IMS Receivable	105,300	105,300
	<u>156,383</u>	<u>140,251</u>

Note 8. Current assets - other

	2014	2013
	\$	\$
Prepayments	6,624	9,143
	<u>6,624</u>	<u>9,143</u>

Note 9. Non-current assets - property, plant and equipment

	2014	2013
	\$	\$
Land and buildings - at cost	1,274,894	1,274,894
Less: Accumulated depreciation	-	-
	<u>1,274,894</u>	<u>1,274,894</u>
Office Equipment - at cost	27,614	27,614
Less: Accumulated depreciation	(19,797)	(17,195)
	<u>7,817</u>	<u>10,419</u>
Furniture and Fittings - at cost	26,438	26,438
Less: Accumulated depreciation	(13,399)	(11,639)
	<u>13,039</u>	<u>14,799</u>
Motor vehicles - at cost	28,555	28,555
Less: Accumulated depreciation	(7,358)	(293)
	<u>21,197</u>	<u>28,262</u>
Computer equipment - at cost	22,992	22,099
Less: Accumulated depreciation	(18,720)	(16,445)
	<u>4,272</u>	<u>5,654</u>
	<u>1,321,219</u>	<u>1,334,028</u>

Council on the Ageing Queensland Ltd
Notes to the financial statements
30 June 2014

Note 9. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Office Equipment \$	Furniture and Fittings \$	Motor vehicles \$	Computer equipment \$	Total \$
Balance at 1 July 2013	1,274,894	10,419	14,799	28,262	5,654	1,334,028
Additions	-	-	-	-	893	893
Depreciation expense	-	(2,602)	(1,760)	(7,065)	(2,275)	(13,702)
Balance at 30 June 2014	<u>1,274,894</u>	<u>7,817</u>	<u>13,039</u>	<u>21,197</u>	<u>4,272</u>	<u>1,321,219</u>

Note 10. Current liabilities - trade and other payables

	2014 \$	2013 \$
Trade payables	33,149	52,249
BAS payable	7,076	3,305
Other payables	5,607	8,833
	<u>45,832</u>	<u>64,387</u>

Note 11. Employee benefits

	2014 \$	2013 \$
CURRENT		
Employee benefits		
Short term benefits	38,251	28,948
Other long term benefits	18,905	-
	<u>57,156</u>	<u>28,948</u>
NON- CURRENT		
Employee benefits	<u>4,200</u>	<u>22,983</u>

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Council on the Ageing Queensland Ltd
Notes to the financial statements
30 June 2014

Note 12. Current liabilities - other

	2014	2013
	\$	\$
Income received in advance	85,960	26,827
Mary Street Mortgage	-	14,880
	<u>85,960</u>	<u>41,707</u>

Note 13. Non - Current liabilities - employee benefits

	2014	2013
	\$	\$
Employee benefits		
Long Service Leave	4,200	22,983
Note 14. Non-Current liabilities - other	<u></u>	<u></u>

	2014	2013
	\$	\$
Mary Street Mortgage	-	281,063
HACC Interest Free Mortgage	400,000	400,000
	<u>400,000</u>	<u>681,063</u>

Note 15. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2014	2013
	\$	\$
Aggregate compensation	<u>316,008</u>	<u>326,708</u>

No payments were made to directors, who contributed their time voluntarily.

Note 16. Contingent liabilities

The company had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Note 17. Commitments

The company had no commitments for expenditure as at 30 June 2014 and 30 June 2013.

Council on the Ageing Queensland Ltd
Notes to the financial statements
30 June 2014

Note 18. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and short-term borrowings.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2014 \$	2013 \$
Financial Assets			
Cash and cash equivalents	6	614,797	775,539
Trade and other receivables	7	51,083	34,951
		665,880	810,490
Financial Liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	10	45,832	64,387
- borrowings	14	400,000	681,063
		445,832	745,450

Note 19. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in Note 15.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year other than insurance commissions and the IMS distribution as disclosed in Note 3.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date other than insurance commissions owing of \$7,238 included in Trade Receivables disclosed at Note 7.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 21: Members Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. It is now governed by the *ACNC Act 2012*. In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the company is wound up is \$31,990, based on 3,199 current ordinary members.

Note 22: Company Details

The registered office of the company is:
Council on the Ageing Limited
Level 1, 25 Mary Street
BRISBANE, QLD 4000

Council on the Ageing Queensland Ltd
Directors' declaration
30 June 2014

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Accounting Standards - Reduced Disclosure Requirements, and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Peter Howells
Director

21 October 2014
Brisbane



Maree McMahon
Director

21 October 2014
Brisbane

Council on the Ageing Queensland Ltd

ABN 13 456 280 311

Independent Auditor's Report

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report of Council on the Ageing Queensland Ltd, which comprises the statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Council on the Ageing Queensland Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

BRISBANE

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Council on the Ageing Queensland Ltd

ABN 13 456 280 311

Independent Auditor's Report

Opinion

In our opinion the financial report of Council on the Ageing Queensland Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2012*.

Hanrick Curran Audit

Hanrick Curran Audit Pty Ltd

Authorised Audit Company: 338599

m. georgiou

Michael Georghiou

Director

Brisbane, 22 October 2014