COTA
QUEENSLAND

Council on the Ageing Queensland
ABN 13 465 280 311

Annual Report 30 June 2019

The directors present their report, together with the financial statements, on the entity for the year ended 30 June 2019.

Directors
The following persons were directors of the entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Howells (Chair)
Neale Condon (Deputy Chair)
Christopher Edwards (Appointed on 31/07/18)
Maree McMahon
Jean McRuvie (Appointed on 31/07/18)
Robyn Robinson
Linda Rosenman
Margaret Sugden (Retired on 15/11/18)

Vision
Ageing in Australia is a time of possibility, opportunity and influence.

Strategy
1. To promote the World Health Organisation (WHO) Age-friendly Cities and Communities initiative to enhance the lives of people as they age
2. To work collaboratively with older people, community organisations, government and business to develop and deliver appropriate services
3. To provide evidenced-based information to enable older people to make well-informed decisions
4. To work collaboratively with other COTAs to develop a valued, responsive and sustainable organisation.

Principal activities
COTA Queensland is the Seniors Peak organisation advancing the rights, interests and futures of people as they age in Queensland. Key activities during the financial year focused on providing effective policy advice, building the capability of non-government organisations providing programs to older people, community education and the coordination of Seniors Week.

The underlying surplus was $72,576 for 2019 compared to $60,087 for 2018.

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

Information on directors

Name:	**Peter Howells**
Title:	**Chair**
Qualifications:	**BA, MBA, GAICD, CAHRI**
Experience and expertise:	Peter is an independent business consultant specialising in providing Human Resources advice and project support to clients ranging from the corporate to the public sector and across a range of industries including professional services, finance and resources. He has held senior HR corporate roles for over 20 years. He has lead HR teams in the Retail Banking and Funds Management sectors, developing solutions and resolving issues to support high performing workplaces. He has been actively involved in industry and professional bodies such as the Australian Human Resources Institute and the Financial Institutions Remuneration Group (FIRG). Peter was Chairman of the FIRG management committee from 2006 to 2009. Peter embarked on his career in HR after studying psychology and anthropology at the University of Queensland. He also obtained an MBA from Griffith University. Peter is a Graduate Member, Australian Institute of Company Directors and a Certified Professional Australian Human Resources Institute.
Name:	**Neale Condon**
Title:	**Deputy Chair**
Qualifications:	**B.Bus., LLB, GAICD**
Experience and expertise:	Neale is an experienced Company Director, CEO and General Manager. He is a certified Transition Planning Consultant and also consults in corporate governance. Neale has worked mainly in the services sector and held specific responsibilities for Finance, Strategy and Corporate Governance. Neale has held senior leadership roles in non-profit companies in Health and Aged Care. In his role as Director of Finance and Corporate Services with Holy Spirit Hospital he was a key contributor to the successful planning, construction, commissioning and management of the Holy Spirit Northside Private Hospital in Brisbane. Neale is a former Director of Smart Services Cooperative Research Centre Pty Ltd. He is also on the Board of Insurance and Membership Services Limited. He holds Bachelor Degrees in Business and Law, and is a Graduate of the Australian Institute of Company Directors.

Name:	**Christopher Edwards**
Title:	**Non-Executive Director**
Qualifications:	**B.Bus., MBA, FAICD**
Experience and expertise:	Chris has governance experience in the resources industry, social and economic infrastructure, environment & planning, commercial, banking and government sectors. Achievements in major transformation and infrastructure projects throughout Australia has allowed Chris to apply his knowledge and experience to the challenges now faced by many professional Boards in monitoring and evaluating the degree of success associated with the strategic delivery of major programs and projects. He currently serves on the Boards of the Professional Engineers QLD, EIDOS Institute, and the International Institute of Business Analysts. Chris has been a member of AICD since 2008. In 2010 he was awarded status of Fellow of the Institute.

Name:	**Maree McMahon**
Title:	**Non-Executive Director/Chair, Finance & Risk Committee**
Qualifications:	**B.Bus., FAICD, FCPA**
Experience and expertise:	Maree is an experienced Executive Manager with over 25 years leading large finance and support services teams through transformational change in Queensland-based listed and global companies in the mining, financial services and construction industries. For the past five years, Maree has held senior leadership positions in Queensland-based Not for Profit organisations in the health and community services sector transforming finance function to meet strategic sustainability goals. Throughout her career, Maree has also been an active Fellow member of CPA Australia, serving on the Queensland Divisional Council and Executive Committee as the Queensland Divisional President for 2016. As a Fellow member of the Australian Institute of Company Directors, Maree also brings over 15 years of experience serving on boards and committees.

Name:	**Jean McRuvie**
Title:	**Non-Executive Director**
Qualifications:	**FAIM, MICD**
Experience and expertise:	Jean has held senior leadership CEO, General Manager or Managing Director roles for the past twenty years across a range of organisations representing health and welfare services, regional development and corporate management. Jean was an elected Local Government Councillor for three years and CEO of a member-based organisation in the agricultural sector. She has sat on Advisory Boards in the TAFE and University sectors and provided advice to government departments on program design. She currently holds a number of Non-Executive Director positions on not-for-profit or for-purpose organisations in the housing, disability, aged care and child care sectors and was recently appointed to the Child Death Review Panel in Queensland.

Name:	**Robyn Robinson**
Title:	**Non-Executive Director**
Qualifications:	**B.Sc. Dip.C.Sc., MSc., GAICD.**
Experience and expertise:	Robyn worked in executive and senior management roles within the electricity industry in Queensland for over 20 years. She has an extensive background in IT management, business performance improvement and managing organisational change. Currently Robyn works as an independent consultant advising energy industry bodies on energy consumer policy issues and stakeholder engagement. Robyn has qualifications in science and IT, and holds a Master of Science Degree in Operations Research. She is a Graduate of the Australian Institute of Company Directors. In addition to her role on the Board of COTA Queensland, Robyn is President of the Redland District Committee on the Ageing and Chair of the Redland Seniors Network. She is a former director of the Donald Simpson Community Centre.

Name:	**Linda Rosenman**
Title:	**Non-Executive Director**
Qualifications:	**BA, Dip. Soc. Work, MSW, PhD, GAICD.**
Experience and expertise:	Professor Linda Rosenman has worked in academic and senior management positions at Universities in Queensland, across Australia and in the USA. She has researched, published and presented widely on economic security, superannuation and women, financial abuse and intergenerational financial relationships and has a long history of serving on and chairing boards and ministerial committees in the education, human services and ageing sectors. Linda has a BA, Dip. Social Work, MSW and PhD and is a Graduate of the Australian Institute of Company Directors.
Name:	**Margaret Sugden**
Title:	**Non-Executive Director/Chair, Policy committee**
Qualifications:	**M.App.Fin, GAICD.**
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 product management, performance measurement and marketing strategies. Margaret is also Chair of the Queensland Community Foundation Management Company and a Governor on the QCF Board of Governors. 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. Margaret has a Masters of Applied Finance and is a Graduate of the Australian Institute of Company Directors.

Chief Executive and Entity Secretary

Mark Tucker-Evans, Chief Executive, who has the role of company secretary since 12 June 2014, has over 35 years' experience as a Chief Executive of industry and professional associations. Mark has extensive Board experience and is currently Chair, Institute for Healthy Communities Australia Ltd and Institute for Healthy Communities Australia Certification Pty Ltd. He is a former Assistant Commissioner, Health Quality & Complaints Commission, Health Consumers Queensland, Chair of QCOSS and director of ACOSS and CheckUp Australia.

Meetings of directors
The number of meetings of the entity's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Finance and Risk Committee	
	Attended	**Held**	**Attended**	**Held**
Peter Howells	7	7	1#	4
Neale Condon	6	7	2	4
Christopher Edwards	6	7	1#	4
Maree McMahon	6	7	4	4
Jean McRuvie	7	7	3	4
Robyn Robinson	5	7	4	4
Linda Rosenman	6	7	1#	4
Margaret Sugden*	*	2		

*Leave of absence commenced January 2018 and retired from Board November 2018
All Directors joined the Finance & Risk Committee meeting with the Auditors.

Winding up
If any surplus remains following the winding up of the corporation, the surplus will not be paid to or distributed amongst Members, but will be given or transferred to another entity which is:

a) an organisation with similar purposes which is not carried on for profit or gain of its individual members;
b) required to apply its profits (if any) or other income in promoting objects similar to those of the Corporation; and
c) endorsed as a deductible gift recipient under sub-division 30-BA of the ITAA,

such entity to be determined by the Members at or before the winding up and in default, by application to the Supreme Court of Queensland for determination.

In the event of the entity 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 entity are liable to contribute if the entity is wound up is $5,510, based on 551 current ordinary members.

Subsequent events
An offer for our strata title unit, Lot 12, 25 Mary Street, Brisbane, went unconditional on 22 August 2019 which will provide significant funding to assist the transition to the new business model.

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
Brisbane, 17th September 2019

Maree McMahon
Director

Brisbane, 17th September 2019

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

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act* 2012, as lead auditor for the audit of Council on the Ageing Queensland Ltd for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year then ended 30 June 2019, there have been:

a. no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act* 2012 in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

Mazars

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 16 September 2019

MAZARS (QLD) PTY LIMITED
(FORMERLY HANRICK CURRAN)
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STATEMENT OF SURPLUS AND DEFICIT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue	4	1,287,064	1,228,266
Expenses			
Consultancy Services		(88,386)	(37,366)
Employee benefits expense	5	(768,435)	(772,395)
Depreciation expense	5	(5,408)	(6,936)
Deficit on disposal of assets		(449)	-
Office expenses		(169,902)	(157,756)
Seminars & Conferences		(4,378)	(7,075)
Marketing		(12,983)	(16,737)
Other expenses	6	(164,545)	(169,914)
Surplus/(Deficit) before income tax expense		72,576	60,087
Income tax expense		-	-
Surplus/(Deficit) after income tax expense for the year attributable to the members of Council on the Ageing Queensland		72,576	60,087
Total comprehensive income for the year attributable to the members of Council on the Ageing Queensland		72,576	60,087

The Entity has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement.*

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

COUNCIL ON THE AGEING QUEENSLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	7	1,015,425	979,853
Trade and other receivables	8	138,015	109,211
Property, plant and equipment	10	1,274,894	-
Other	9	13,017	6,452
Total current assets		2,441,351	1,095,516
Non-current assets			
Property, plant and equipment	10	22,337	1,302,788
Investments		5	5
Total non-current assets		22,342	1,302,793
Intangible assets			
Website	11	13,448	-
Total intangible assets		13,448	-
Total assets		2,477,141	2,398,309
Liabilities			
Current liabilities			
Trade and other payables	12	52,779	37,617
Employee benefits	13	96,050	98,138
Other	14	542,043	155,684
Total current liabilities		690,872	291,439
Non-current liabilities			
Employee benefits	13	16,361	9,538
Other	15	-	400,000
Total non-current liabilities		16,361	409,538
Total liabilities		707,233	700,977
Net assets		1,769,908	1,697,332
Equity			
Retained earnings		1,769,908	1,697,332
Total equity		1,769,908	1,697,332

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

COUNCIL ON THE AGEING QUEENSLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained surplus $	Total equity $
Balance at 1 July 2017	1,637,245	1,637,245
Surplus/(Deficit) for the year	60,087	60,087
Total comprehensive income for the year	60,087	60,087
Balance at 30 June 2018	1,697,332	1,697,332

	Retained surplus $	Total equity $
Balance at 1 July 2018	1,697,332	1,697,332
Surplus/(Deficit) for the year	72,576	72,576
	-	-
Total comprehensive income for the year	72,576	72,576
Balance at 30 June 2019	1,769,908	1,769,908

The Entity has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

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

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from members (inclusive of GST)		7,839	6,971
Payments to suppliers and employees (inclusive of GST)		(1,411,707)	(1,350,909)
		(1,403,868)	(1,343,938)
Dividends received/distribution		105,300	106,405
Interest received		27,025	28,028
Donations received		903	1,051
Grants received		1,027,818	1,105,779
Receipts from others		278,394	223,876
Net cash from operating activities	20	35,572	121,201
Net increase in cash and cash equivalents		35,572	121,201
Cash and cash equivalents at the beginning of the financial year		979,853	858,652
Cash and cash equivalents at the end of the financial year	7	1,015,425	979,853

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 September 2019.

Comparatives are consistent with prior years unless otherwise stated.

Basis of preparation

Council on the Ageing Queensland 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 Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an 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.

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.

Adoption of New and Revised Accounting standards

The Entity has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Entity.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard Name	Effective Date	Requirements	Impact
AASB 15 Revenue from Contracts with Customers	30 June 2020	This standard provides guidance on the recognition of revenue from customers.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 16 Leases	30 June 2020	Significant revisions to accounting for operational leases on balance sheet by Lessees of property and high value equipment. However, exemptions for short-term leases and leases of low value assets will reduce the impact.	The entity has not yet determined the magnitude of any changes which may be needed.
AASB 1058 Income of Not-for-Profit Entities	30 June 2020	AASB 1058 replaces the income recognition requirements relating to private sector not-for-profit (NFP) entities, as well as the majority of income recognition requirements relating to public sector NFP entities previously reflected in AASB 1004 Contributions.	The entity has not yet determined the magnitude of any changes which may be needed.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the entity 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.

Interest
Interest revenue is recognised when it is received or receivable.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

As the entity 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.

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 either a straight-line basis or reducing balance method 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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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 entity. Gains and losses between the carrying amount and the disposal proceeds are taken to surplus or deficit.

An offer for our strata title unit, Lot 12, 25 Mary Street, Brisbane, went unconditional on 22 August 2019. Therefore, we classified the building as a current asset as at 30 June 2019 (refer Note 10 and 23).

Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Entity becomes party to the contractual provisions of the instrument.

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

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- available-for-sale financial assets.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Entity's trade and other receivables fall into this category of financial instruments.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

In some circumstances, the Entity renegotiates repayment terms with customers which may lead to changes in the timing of the payments. The Entity does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Entity's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Financial liabilities

The Entity's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

For current year

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

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

Financial assets

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

Classification

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

- amortised cost

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

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

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

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

Impairment of financial assets

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

- financial assets measured at amortised cost.

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

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

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

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

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

Trade receivables and contract assets

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

The financial liabilities of the Entity comprise trade payables, bank and other loans and finance lease liabilities.

Impairment of non-financial assets

At the end of each reporting period the Entity determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash- generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash- generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution superannuation expense

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

NOTE 2. CHANGE IN ACCOUNTING POLICY

Financial instruments - adoption of AASB 9

The Entity has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July, 2018.

As part of the adoption of AASB 9, the Entity adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses

- AASB 7 Financial Instruments: Disclosure requires amended disclosures due to changes arising from AASB9, which disclosures have been provided for the current year.

There has been no material impact on financial statements from applying AASB 9.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. 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.

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.

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.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Economic Dependence

Council on the Ageing Queensland 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. A number of contracts were completed on 30 June 2019 and others are scheduled to end on 30 June 2020. We believe our sustainability will be secured through pursuing a diverse range of funding sources. A stronger focus on non-government funding has yielded a number of short-term contracts and this model will be pursued.

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.

NOTE 4. REVENUE

	2019 $	2018 $
Other revenue		
Members subscriptions	7,126	6,337
Insurance commissions	54,995	55,736
Project income	966,611	1,001,636
Sundry income	125,103	37,848
Donations	903	1,051
Interest	27,025	28,028
IMS distribution	105,300	97,630
Revenue	1,287,064	1,228,266

NOTE 5. EXPENSES

	2019 $	2018 $
Employee benefits expense		
Wages and salary	691,731	694,978
Other employee related expenses	12,498	14,670
Superannuation expense		
Defined contribution superannuation expense	64,206	62,747
Employee benefits expense	768,435	772,395
Depreciation	5,408	6,936

NOTE 6. OTHER EXPENSES

	2019 $	2018 $
COTA Australia levy	12,282	25,471
Resource material	19,024	16,124
Volunteer expenses	12,335	28,005
Other	86,795	83,440
Travel	34,109	16,874
Other expenses	164,545	169,914

NOTE 7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash on hand	400	287
Cash at bank	687,409	592,833
Cash on deposit	327,616	386,733
	1,015,425	979,853

NOTE 8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Trade receivables	20,590	960
Other receivables	12,115	2,951
IMS receivables	105,300	105,300
	138,015	109,211

NOTE 9. CURRENT ASSETS - OTHER

	2019 $	2018 $
Prepayments	13,017	6,452
	13,017	6,452

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	2019 $	2018 $
Current		
Land and building – at cost	1,274,894	-
Less: Accumulated depreciation	-	-
Total current (refer Note 1 and 23)	1,274,894	-
Non-current		
Land and buildings – at cost	-	1,274,894
Less: Accumulated depreciation	-	-
	-	1,274,894
Office equipment – at cost	4,154	11,219
Less: Accumulated depreciation	(4,075)	(10,749)
	79	470
Furniture and fittings – at cost	26,439	26,439
Less: Accumulated depreciation	(19,448)	(18,415)
	6,991	8,024
Motor vehicles – at cost	28,555	28,555
Less: Accumulated depreciation	(23,525)	(21,871)
	5,030	6,684
Computer equipment – at cost	32,575	43,487
Less: Accumulated depreciation	(22,338)	(30,771)
	10,237	12,716
Total non-current	22,337	1,302,788
Total property, plant and equipment	1,297,231	1,302,788

NOTE 10. 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 2018	1,274,894	470	8,024	6,684	12,716	1,302,788
Additions	-	-	-	-	-	-
Disposals	-	(369)	-	-	(80)	(449)
Depreciation expense	-	(22)	(1,033)	(1,654)	(2,399)	(5,108)
Balance at 30 June 2019	1,274,894	79	6,991	5,030	10,237	1,297,231

NOTE 11. INTANGIBLES

	2019 $	2018 $
Website cost	13,750	-
Accumulated amortisation and impairment	(302)	-
Net carrying value	13,448	-

NOTE 12. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	20,329	15,733
BAS payable	25,378	13,716
Other payables	7,071	8,168
	52,779	37,617

NOTE 13. EMPLOYEE BENEFITS

	2019 $	2018 $
CURRENT		
Employee benefits		
Short term benefits	61,904	67,306
Other long term benefits	34,146	30,832
	96,050	98,138
NON-CURRENT		
Other long term benefits	16,361	9,538

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 entity 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 entity 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.

NOTE 14. CURRENT LIABILITIES - OTHER

	2019 $	2018 $
Income received in advance	116,211	148,184
Accrued expenses	25,832	7,500
HACC interest free mortgage	400,000	-
	542,043	155,684

NOTE 15. NON-CURRENT LIABILITIES - OTHER

	2019 $	2018 $
HACC interest free mortgage	-	400,000
	-	400,000

NOTE 16. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the entity's auditor Mazars Audit (QLD) Pty Limited (formerly Hanrick Curran Audit Pty Ltd)

	2019 $	2018 $
Audit of the financial report	8,300	8,000

NOTE 17. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to management personnel of the entity is set out below. The Directors act in an honorary capacity and receive no compensation nor any sitting fees.

	2019 $	2018 $
Aggregate compensation	162,749	159,671

NOTE 18. CONTINGENT LIABILITIES

The entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

NOTE 19. COMMITMENTS

The entity had the following commitments for expenditure as at 30 June 2019 and 30 June 2018

Non-cancellable operating leases contracted for but not recognised in the financial statements

	2019	2018
	$	$
Payable – minimum lease payments		
- Not later than 12 months	17,413	68,287
- Between 12 months and five years	-	17,413
	17,413	85,700

NOTE 20. CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with net current year

	2019	2018
	$	$
Surplus		
Net current year surplus	72,576	60,087
Non-cash flows		
Depreciation	5,408	6,935
Loss on disposal of fixed assets	449	-
Sundry expenses	(13,755)	
Changes in assets and liabilities		
(Increase)/Decrease in accounts receivable and other debtors	(19,630)	6,437
(Increase)/Decrease in accrued income	(52,857)	12,863
(Increase)/Decrease in prepayments	(6,567)	(439)
Increase/(Decrease) in accounts payable and other payables	26,879	6,130
Increase/(Decrease) in employee provisions	4,736	29,188
Increase/(Decrease) in accrued expenses	18,332	-
Net cash from operating activities	35,572	121,201

NOTE 21. FINACIAL RISK MANAGEMENT

The Entity'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 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 $	2018 $
Financial assets			
Financial assets at amortised cost			
- Cash and cash equivalents	7	1,015,425	979,853
- Trade and other receivables	8	138,015	109,211
		1,153,440	1,089,064
Financial liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12	52,779	37,617
- Borrowings	14	400,000	400,000
		452,779	437,617

NOTE 22. RELATED PARTY TRANSACTIONS

Key management personnel
Disclosures relating to key management personnel are set out in Note 17.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year other than insurance commissions, sundry consulting fees and the IMS distribution as disclosed in Note 4.

Receivable from and payable to related parties
Trade receivable from IMS amounted to $12,044 as at 30 June 2019. Trade receivables are disclosed in Note 8.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date other than a loan receivable from IMS as disclosed in Note 8.

NOTE 23. EVENTS AFTER THE REPORTING PERIOD

An offer for our strata title unit, Lot 12, 25 Mary Street, Brisbane, went unconditional on 22 August 2019 which will provide significant funding to assist the transition to the new business model. As a result both the asset and the liability have been reclassified as current (refer Notes 1, 10 and 14).

NOTE 24. MEMBERS GUARANTEE

The Entity is incorporated under the Corporations Act 2001 and is a Entity limited by guarantee. It is now governed by the *ACNC Act 2012*. In the event of the entity 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 entity are liable to contribute if the entity is wound up is $5,510, based on 551 current ordinary members.

NOTE 25. ENTITY DETAILS

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

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

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

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

On behalf of the responsible persons

Peter Howells
Director

17th September 2019
Brisbane

Maree McMahon
Director

17th September 2019
Brisbane

Council on the Ageing Queensland

ABN 13 465 280 311

Independent Auditor's Report

Opinion

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 2019, the statement of surplus or deficit 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.

In our opinion the financial report of Council on the Ageing Queensland Ltd is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012)*, including:

a. giving a true and fair view of the entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013)*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Financial Report

The directors of the Entity 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 *ACNC Act 2012* and the *ACNC Regulation 2013* and for such internal control as the Directors 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 directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

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

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

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

Mazars

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599

Michael Georghiou
Director

Brisbane, 19 September 2019