

Council on the Ageing Queensland Ltd

ABN 13 456 280 311

Financial Statements

For the Year Ended 30 June 2020

Council on the Ageing Queensland Ltd

ABN 13 456 280 311

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For the Year Ended 30 June 2020

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Council on the Ageing Queensland Ltd

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Directors' Report

30 June 2020

The directors present their report on Council on the Ageing Queensland Ltd for the financial year ended 30 June 2020.

General information

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:

Names	Position	Appointed/Resigned
Peter Howells	Chair	
Neale Condon	Deputy Chair	Resigned 29 November 2019
Christopher Edwards		Resigned 20 August 2020
Maree McMahon		Resigned 29 November 2019
Jean McRuvie		
Robyn Robinson		
Linda Roseman		Resigned 20 July 2020
Stuart Anderson		Appointed 29 November 2019

Vision

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

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

1. To facilitate positive outcomes for Queenslanders as we age with a focus on the Decade of Healthy Ageing priorities.
2. To be the connection point in Queensland for networks and experts to influence and shape age-related policy, programs and outcomes.
3. To ensure that COTA Queensland is a valued and sustainable organisation.

Principal activities

COTA Queensland advances older people's rights and advocates to Government, business and the community on issues that affect us all as we age. We engage with communities, build capacity, facilitate participation, and provide information to inform community attitudes. Founded in 1957 and as the Seniors Peak organisation for Queensland we have assisted in the establishment of Senior Citizens Clubs throughout the state, Queensland's first Meals on Wheels and U3A (University of the Third Age), Volunteering Queensland and Health Consumers Queensland.

We are focused on but not limited to the following areas of community concern:

- Health and Wellbeing including Aged Care and Mental Health
- Housing including Homelessness
- Transport

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Directors' Report

30 June 2020

General information (continued)

Principal activities (continued)

- Cost of Living (Energy)
- Work and Employment

The underlying surplus was \$1,305,984 for 2020 compared to \$72,576 for 2019.

The net surplus for the 2020 financial year was significantly inflated due the sale of the Mary Street premises in November 2019.

The underlying surplus (excluding the aforementioned sale) for the 2020 financial year was \$19,680.

The sale of Mary Street significantly boosted the cash position of the business, however an underlying increase in cash of \$106,765 was recorded for the 2020 financial year.

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

Peter Howells

Qualifications

Chair

BA, MBA, GAICD

Experience

Peter is retired from his role as 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 also 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.

Stuart Anderson

Qualifications

Non Executive Director, Chair Finance & Risk Committee

BCom, BEcon, GradDipCA

Experience

Stuart is currently employed as the Financial Controller of Racing Queensland, Stuart has held a variety of senior finance roles over his career, across a variety of industries including manufacturing, media, telecoms, superannuation, and construction materials. Stuart is a qualified accountant (CA) and possess a dual degree in Commerce and Economics from the University of Queensland. He joined the COTA Queensland Board in November 2019, and is the Chair of the Finance and Risk Committee.

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Directors' Report

30 June 2020

Information on directors (continued)

Christopher Edwards

Qualifications

Non-Executive Director

B.Bus., MBA, FAICD

Experience

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, Metro South HHS, 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.

Jean McRuvie

Qualifications

Non-Executive Director

FAIM, MICD

Experience

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 in Queensland.

Robyn Robinson

Qualifications

Non-Executive Director

B.Sc. Dip.C.Sc., MSc., GAICD.

Experience

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.

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Directors' Report

30 June 2020

Information on directors (continued)

Linda Roseman

Qualifications

Experience

Non-Executive Director

BA, Dip. Soc. Work,(Syd Univ) MSW,(Univ Illinois) PhD,(Wash Univ) GAICD

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. She is currently Emeritus Professor at the University of Queensland and an Honorary Professor at Southern Cross University. Linda has a BA, Dip. Social Work, MSW and PhD and is a Graduate of the Australian Institute of Company Directors.

Chief Executive and Entity Secretary

Mark Tucker-Evans, Chief Executive, who has also had 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; Chair Health Consumers Queensland and QCOSS and director of ACOSS, CheckUp Australia and Health & Community Services Workforce Council.

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Directors' Report

30 June 2020

Chief Executive and Entity Secretary (continued)

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 2020, and the number of meetings attended by each director were:

	Directors' Meetings		Finance and Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Howells	8	8	1	-
Neale Condon	3	2	3	2
Christopher Edwards	8	5	1	-
Maree McMahon	3	3	3	3
Jean McRuvie	8	7	5	2
Robyn Robinson	8	7	5	4
Linda Roseman	8	8	1	1
Stuart Anderson	5	5	2	2

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

- an organisation with similar purposes which is not carried on for profit or gain of its individual members;
- required to apply its profits (if any) or other income in promoting objects similar to those of the Corporation; and
- 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.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2020 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Peter Howells

Director: 
Stuart Anderson

Brisbane, 30 September 2020

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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 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of 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.



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



Michael Georghiou
Director

Brisbane, 30 September 2020

MAZARS AUDIT (QLD) PTY LIMITED
(FORMERLY HANRICK CURRAN AUDIT)
AUTHORISED AUDIT COMPANY: 338599 ABN: 13 132 902 188
LEVEL 11, 307 QUEEN STREET, BRISBANE QLD 4000 GPO BOX 2268, BRISBANE QLD 4001
TEL: +61 7 3218 3900 - FAX: +61 7 3218 3901

LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION

Council on the Ageing Queensland Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	5	1,213,433	1,287,064
Gain on disposal of assets	5	1,286,304	-
Employee benefits expense	6	(810,590)	(768,435)
Depreciation expense	6	(8,918)	(5,408)
Consultancy Services		(40,250)	(88,386)
Deficit on disposal of assets		-	(449)
Seminars & Conferences		(166)	(4,378)
Office expenses		(201,479)	(169,902)
Marketing expenses		(7,316)	(12,983)
Other expenses	6	(125,034)	(164,545)
Profit before income tax		1,305,984	72,578
Income tax expense		-	-
Profit for the year		1,305,984	72,578
Total comprehensive income for the year		1,305,984	72,578

The accompanying notes form part of these financial statements.

Council on the Ageing Queensland Ltd

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Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,450,764	1,015,425
Trade and other receivables	8	180,987	138,015
Other assets	12	22,357	13,017
Property, plant and equipment	10	-	1,274,894
TOTAL CURRENT ASSETS		<u>2,654,108</u>	<u>2,441,351</u>
NON-CURRENT ASSETS			
Other financial assets		5	5
Property, plant and equipment	10	1,248,846	22,337
Intangible assets	11	10,646	13,448
TOTAL NON-CURRENT ASSETS		<u>1,259,497</u>	<u>35,790</u>
TOTAL ASSETS		<u>3,913,605</u>	<u>2,477,141</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	106,912	78,610
Contract liabilities	9	196,355	-
Short-term provisions	14	114,357	96,050
Other liabilities	15	-	516,212
TOTAL CURRENT LIABILITIES		<u>417,624</u>	<u>690,872</u>
NON-CURRENT LIABILITIES			
Long-term provisions	14	20,089	16,361
Other liabilities	15	400,000	-
TOTAL NON-CURRENT LIABILITIES		<u>420,089</u>	<u>16,361</u>
TOTAL LIABILITIES		<u>837,713</u>	<u>707,233</u>
NET ASSETS		<u>3,075,892</u>	<u>1,769,908</u>
EQUITY			
Retained earnings		<u>3,075,892</u>	<u>1,769,909</u>
TOTAL EQUITY		<u>3,075,892</u>	<u>1,769,909</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Surplus \$	Total \$
Balance at 1 July 2019	1,769,908	1,769,908
Surplus/(Deficit) for the year	1,305,984	1,305,984
Balance at 30 June 2020	3,075,892	3,075,892

2019

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

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members (inclusive of GST)	5,422	7,839
Payments to suppliers and employees (inclusive of GST)	(1,452,776)	(1,411,707)
Dividends received/distribution	117,000	105,300
Donations received	4,764	903
Interest received	26,675	27,025
Grants received	1,149,268	1,027,818
Receipts from others	256,412	278,394
Net cash provided by/(used in) operating activities	22 106,765	35,572
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposals of property, plant and equipment	2,567,540	-
Payment for property, plant and equipment	(1,238,966)	-
Net cash provided by/(used in) investing activities	1,328,574	-
Net increase/(decrease) in cash and cash equivalents held	1,435,339	35,572
Cash and cash equivalents at beginning of year	1,015,425	979,853
Cash and cash equivalents at end of financial year	7 2,450,764	1,015,425

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers 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 is a not-for-profit unlisted public entity limited by guarantee, incorporated and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

1 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.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Principal v agent

Prior to adoption of AASB 15, the Company had assessed that they were a principal in transactions where another party was involved in providing the services particularly where monies were received with the intention of passing them through to another entity.

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy (continued)

Revenue from Contracts with Customers - Adoption of AASB 15 (continued)

Principal v agent (continued)

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within contracts where the Company is acting as an agent. The result is that the Company can only recognise the commission to which they are entitled to rather than the gross revenue and expenses, there is no change to reported profit.

Grants - operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

Having reviewed the terms and conditions of grants received by the Company, some of them are within the scope of AASB 1058 and others within AASB 15 which has resulted in deferral of revenue for these monies.

Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 on the Company's financial statements for the year ended 30 June 2020.

Statement of Profit or Loss and Other Comprehensive Income

The table below shows for comparability purposes the statement of profit or loss and other comprehensive income for the year ended 30 June 2020 under AASB 15 / AASB 1058 and the 'old' standards, as if AASB 15 and AASB 1058 had not been adopted.

	AASB 15 / AASB 1058 balance per Statement of Profit or Loss and Other Comprehensive Income under AASB 15 and AASB 1058	Re- classification	Re- measurement	Balance prior to adoption of AASB 15 and AASB 1058
	\$	\$	\$	\$
Revenue	1,213,433	-	(16,968)	1,196,465
Gain on disposal of assets	1,286,304	-	-	1,286,304
Other expenses	(1,193,753)	-	-	(1,193,753)
Profit before income tax	1,305,984	-	(16,968)	1,289,016
Profit from continuing operations	1,305,984	-	(16,968)	1,289,016
Profit for the year	1,305,984	-	(16,968)	1,289,016

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy (continued)

Statement of Financial Position

The table below shows for comparability purposes the statement of financial position as at 30 June 2020 under AASB 15 / AASB 1058 and the 'old' standards, as if AASB 15 and AASB 1058 had not been adopted.

	AASB 15 and AASB 1058 carrying amount per Statement of Financial Position \$	Reclassific- ation \$	Remeasurem- ent \$	Carrying amount prior to adoption of AASB 15 and AASB 1058 \$
LIABILITIES				
CURRENT LIABILITIES				
Contract liabilities	196,355	(196,355)	-	-
Other liabilities	-	196,355	16,968	213,323
TOTAL CURRENT LIABILITIES	196,355	-	16,968	213,323
TOTAL LIABILITIES	196,355	-	16,968	213,323
NET ASSETS	(196,355)	-	(16,968)	(213,323)

Statement of Cash Flows

The statement of cash flows is not materially different under AASB 15 / AASB 1058 from that which was presented under the previous revenue standards.

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Donations

Donations are recognised at the time the pledge is made.

Interest

Interest revenue is recognised when it is received or receivable.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Grant Income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Grant Income (continued)

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058).

Grant Income

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

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

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(c) Goods and services tax (GST) (continued)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture and Fittings	10-15 years
Motor Vehicles	5-7 years
Office Equipment	3-7 years
Computer Equipment	3-5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company 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 Company classifies its financial assets into the following categories, those measured at:

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

- amortised cost

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

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 significant since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

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

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

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company 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 Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Trade receivables

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

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 Company 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 Company 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 Company comprise trade payables, bank and other loans and lease liabilities.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies (continued)

(h) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgements

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 2, 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Critical Accounting Estimates and Judgements (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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
5 Revenue and Other Income		
Revenue		
- Insurance commissions	42,092	54,995
- Interest	26,675	27,025
- IMS Distribution	117,370	105,300
- Members subscriptions	4,929	7,126
- Sundry income	10,597	125,104
- Government subsidies (Cashflow Boost)	42,361	-
- Donations	4,764	903
- Project income	964,645	966,611
- Total Revenue	1,213,433	1,287,064
- Gain on disposal of assets	1,286,304	-
Total Revenue and Other Income	2,499,737	1,287,064
6 Result for the Year		
The result for the year includes the following specific expenses:		
Expenses		
Wages and Salary Expenses	709,316	691,731
Other employee related expenses	36,286	12,498
Superannuation contributions	64,988	64,207
Total Employee benefit expenses	810,590	768,436
Depreciation expense	8,918	5,408
Other Expenses		
Rental Outgoings	64,436	-
COTA Australia Levy	-	12,282
Volunteer expenses	3,627	12,335
Resource material	1,486	19,024
Other	42,488	86,795
Travel	12,997	34,109
Total Other Expenses	125,034	164,545

Council on the Ageing Queensland Ltd

ABN 13 456 280 311

Notes to the Financial Statements For the Year Ended 30 June 2020

	2020 \$	2019 \$
7 Cash and Cash Equivalents		
Cash at bank and in hand	1,732,089	687,809
Short-term deposits	718,675	327,616
	<u>2,450,764</u>	<u>1,015,425</u>
8 Trade and other receivables		
CURRENT		
IMS receivables	105,300	105,300
GST receivable	65,135	-
Other receivables	5,650	12,125
Trade receivables	4,902	20,590
Total current trade and other receivables	<u>180,987</u>	<u>138,015</u>
9 Contract liabilities		
CURRENT		
Contract liabilities	196,355	-
Total current contract liabilities	<u>196,355</u>	<u>-</u>
10 Property, plant and equipment		
LAND AND BUILDINGS		
CURRENT		
Land and buildings - at cost (under contract)	-	1,274,894
Total current land and buildings	<u>-</u>	<u>1,274,894</u>
NON-CURRENT		
Land and buildings - at cost	1,214,203	-
Total Non-current land and buildings	1,214,203	-
Total land and buildings	<u>1,214,203</u>	<u>1,274,894</u>
PLANT AND EQUIPMENT		
Furniture and fittings		
At cost	49,098	26,439
Accumulated depreciation	(26,438)	(19,448)
Total furniture, fixtures and fittings	<u>22,660</u>	<u>6,991</u>

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
10 Property, plant and equipment (continued)		
Motor vehicles		
At cost	28,555	28,555
Accumulated depreciation	(24,782)	(23,525)
Total motor vehicles	3,773	5,030
Office equipment		
At cost	4,154	4,154
Accumulated depreciation	(4,092)	(4,075)
Total office equipment	62	79
Computer equipment		
At cost	34,678	32,575
Accumulated depreciation	(26,530)	(22,338)
Total computer equipment	8,148	10,237
Total plant and equipment	34,643	22,337
Total non-current property, plant and equipment	1,248,846	22,337

Movements in Carrying Amounts

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

	Land and buildings \$	Furniture and Fittings \$	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Total \$
Year ended 30 June 2020						
Balance at 1 July 2019	1,274,894	6,991	5,030	79	10,237	1,297,231
Additions	1,214,203	22,660	-	-	2,103	1,238,966
Disposals	(1,274,894)	-	-	-	-	(1,274,894)
Depreciation expense	-	(6,991)	(1,257)	(17)	(4,192)	(12,457)
Balance at 30 June 2020	1,214,203	22,660	3,773	62	8,148	1,248,846

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
11 Intangible Assets		
Website cost		
Cost	13,750	13,750
Accumulated amortisation and impairment	(3,104)	(301)
Total Intangible Asset	10,646	13,449
12 Other Assets		
CURRENT		
Prepayments	22,357	13,017
Total Other assets	22,357	13,017
13 Trade and Other Payables		
CURRENT		
Trade payables	50,642	20,329
GST payable	-	25,378
Other payables	15,946	7,071
Accrued expenses	40,324	25,832
Total Trade and Other Payables	106,912	78,610
14 Provisions		
CURRENT		
Short term benefits	77,905	61,904
Other long term benefits	36,452	34,146
Total Current Provisions	114,357	96,050
NON-CURRENT		
Other long term benefits	20,089	16,361
Total Non-Current Provisions	20,089	16,361

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020 \$	2019 \$
14 Provisions (continued)		
Provision for Employee Benefits (continued)		
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.		
15 Other Liabilities		
CURRENT		
Income received in advance	-	116,211
HACC interest free mortgage	-	400,000
Total Current Other Liabilities	-	516,211
NON-CURRENT		
HACC interest free mortgage	400,000	-
Total Non-current Other Liabilities	400,000	-
16 Financial Risk Management		
Financial assets		
Held at amortised cost		
Cash and cash equivalents	2,450,765	1,015,425
Trade and other receivables		
Trade and other receivables	180,987	138,015
	180,987	138,015
Total Financial assets	2,631,752	1,153,440
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	106,912	78,610
Borrowings	400,000	400,000
Total financial liabilities	506,912	478,610
17 Members' Guarantee		
The Company is incorporated under the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 551 (2019: 551).		
18 Key Management Personnel Disclosures		

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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$
18 Key Management Personnel Disclosures (continued)		
Aggregate compensation	<u>158,949</u>	<u>162,749</u>
19 Auditors' Remuneration		
Remuneration of the auditor Mazars Audit (QLD) Pty Limited, for:		
- Audit of the financial report	<u>8,500</u>	<u>8,300</u>

20 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2020 (30 June 2019:None).

21 Related Parties

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

There were no transactions with related parties at the current and previous financial year other than insurance commissions, sundry consulting fees and the IMS distribution as disclosed in Note 5.

(b) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2020

	2020	2019
	\$	\$

22 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	1,305,984	72,576
Non-cash flows in profit:		
- Depreciation and amortisation	8,918	5,408
- (Gain)/Loss on disposal of fixed assets	(1,286,304)	449
- Sundry expenses	-	(13,755)
Changes in assets and liabilities:		
- (Increase)/Decrease in trade and other receivables	15,688	(19,630)
- (Increase)/Decrease in accrued income	(14,976)	(52,857)
- (Increase)/Decrease in prepayments	(9,340)	(6,567)
- Increase/(Decrease) in trade and other payables	28,306	26,880
- Increase/(Decrease) in employee provisions	22,035	4,736
- (Increase)/Decrease in accrued expenses	36,454	18,332
Cashflows from operations	<u>106,765</u>	<u>35,572</u>

23 Events after the end of the Reporting Period

On 11 March 2020, the World Health Organisation ("WHO") declared a pandemic in respect of increasing cases of Coronavirus being recorded on a global basis. Since the WHO declaration, The Australian Commonwealth and State governments have been implementing various policy measures to respond to the pandemic, including quarantine measures and economic stimulus packages. Arrangements for quarantine and economic stimulus continue to evolve at the reporting date and can be expected to change during the course of the next year. At this time, the company is unable to determine the extent of the future impact of the pandemic.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

24 Statutory Information

The registered office and principal place of business of the company is:

Council on the Ageing Queensland Ltd
10 Market Street
Brisbane QLD 4000

Council on the Ageing Queensland Ltd

ABN 13 456 280 311

Responsible Persons' Declaration

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

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 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*.

Responsible person
Peter Howells

Responsible person
Stuart Anderson

Brisbane, 30 September 2020

Council on the Ageing Queensland Ltd

Independent Audit Report to the members of Council on the Ageing Queensland Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Council on the Ageing Queensland Ltd, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

Emphasis of Matter

We draw attention to Note 23 (Events after the end of the Reporting Period) to the financial report, which describes the uncertainty that exists regarding the current COVID-19 pandemic and the impact on the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity's ability to

Council on the Ageing Queensland Ltd

Independent Audit Report to the members of Council on the Ageing Queensland Ltd

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Registered 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 Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Council on the Ageing Queensland Ltd

Independent Audit Report to the members of Council on the Ageing Queensland Ltd

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 Audit (QLD) Pty Limited
Authorised Audit Company:338599



Michael Georghiou
Director

Brisbane, 2 October 2020