

# Council on the Ageing (NSW) Inc

ABN 31 090 328 955

Financial Statements

For the Year Ended 30 June 2021

# Council on the Ageing (NSW) Inc

ABN 31 090 328 955

## Contents

For the Year Ended 30 June 2021

	Page
<b>Financial Statements</b>	
Committee of Management Report	1
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Committee of Management Declaration	17
Independent Audit Report	18

## Council on the Ageing (NSW) Inc

ABN 31 090 328 955

# Committee of Management Report

30 June 2021

The members of the Committee of Management present their report on Council on the Ageing (NSW) Inc for the financial year ended 30 June 2021.

### General information

#### Members of the committee

The names of the members of the Committee of Management in office at any time during, or since the end of the year are:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Joan Hughes	President	
Laurie Axford	Vice President	Appointed on August 2020
Geoff Banting	Treasurer	
Janet Beale	Treasurer	Resigned on 27 November 2020
Myra Hamilton		
Raymond Lim		
Sharon Burns		
Stephen Ginsborg		
Susan Moylan Coombs		

The members of the Committee of Management have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities and significant changes in nature of activities

The principal activities of Council on the Ageing (NSW) Inc during the financial year were to represent the interests and wellbeing of older people in New South Wales to governments, organisations and the public. The Association applies funds including government grants to the development of the social policy, information and programs pertaining to older persons in New South Wales.

There were no significant changes in the nature of Council on the Ageing (NSW) Inc's principal activities during the financial year.

#### Review of operations

The Association's revenue increased by \$126,234 to \$1,201,951 and generated a surplus of \$195,536. This operating result is mainly due to income received from government subsidy during the financial year. At 30 June 2021, net assets stood at \$516,281 made up primarily of cash and term deposits.

The Association secured 2-year funding from the NSW State Government commencing 1 July 2021 amounting to \$474,370 per annum.

## Committee of Management Report

30 June 2021

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

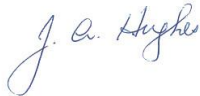
### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results or the state of affairs of the Association in future financial years.

### Auditor's independence declaration

A copy of the Auditors' Independence Declaration as required under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 3 of the financial report.

This Committee of Management report, is signed in accordance with a resolution of the members of the Committee of Management.



President:.

Joan Hughes



Treasurer:

Geoffrey Banting

Dated this 17 day of September 2021

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO THE COMMITTEE OF MANAGEMENT OF COUNCIL ON THE AGEING (NSW) INC.

As auditor of Council on The Ageing (NSW) Inc for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd

Chin Ding Khoo

Director

Sydney

xxx 2021

Council on the Ageing (NSW) Inc

ABN 31 090 328 955

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Sales revenue	2	1,201,951	1,075,717
Other income	2	127,705	40,336
Office expenses		(25,084)	(26,302)
National survey expenses		(95,822)	-
Employee expenses		(647,831)	(657,741)
Administrative expenses		(271,713)	(183,505)
Depreciation expense – right of assets		(55,270)	(61,642)
Depreciation expense – fixed assets		(3,549)	(3,806)
Other expenses		(34,851)	(36,009)
<b>Surplus/(Deficit) for the year</b>		<b>195,536</b>	<b>147,048</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>195,536</b>	<b>147,048</b>

The accompanying notes form part of these financial statements.

# Council on the Ageing (NSW) Inc

ABN 31 090 328 955

## Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalent - cash at bank and in hand	3	416,971	185,546
Other receivables		15,050	22,290
Financial assets – term deposit		226,334	298,724
Other assets	4	18,072	18,891
TOTAL CURRENT ASSETS		<u>676,427</u>	<u>525,451</u>
NON-CURRENT ASSETS			
Property, plant and equipment		4,402	334
Right of use asset	8	48,309	72,439
Intangible assets		704	3,560
TOTAL NON-CURRENT ASSETS		<u>53,415</u>	<u>76,333</u>
TOTAL ASSETS		<u>729,842</u>	<u>601,784</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	5	105,201	44,538
Other liabilities	6	16,566	101,797
Employee benefits	7	41,397	54,189
Lease liabilities	8	50,397	80,515
TOTAL CURRENT LIABILITIES		<u>213,561</u>	<u>281,039</u>
TOTAL LIABILITIES		<u>213,561</u>	<u>281,039</u>
NET ASSETS		<u>516,281</u>	<u>320,745</u>
<b>EQUITY</b>			
Retained earnings		<u>516,281</u>	<u>320,745</u>
TOTAL EQUITY		<u>516,281</u>	<u>320,745</u>

The accompanying notes form part of these financial statements.

Council on the Ageing (NSW) Inc

ABN 31 090 328 955

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	320,745	320,745
Surplus for the year	195,536	195,536
<b>Balance at 30 June 2021</b>	<b>516,281</b>	<b>516,281</b>

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	173,697	173,697
Surplus for the year	147,048	147,048
<b>Balance at 30 June 2020</b>	<b>320,745</b>	<b>320,745</b>

The accompanying notes form part of these financial statements.



Council on the Ageing (NSW) Inc

ABN 31 090 328 955

Statement of Cash Flows  
For the Year Ended 30 June 2021

	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	511,141	292,024
Payments to suppliers and employees	(1,354,649)	(1,065,083)
Interest received	3,164	6,798
Received grants	1,004,140	978,054
Net cash provided by operating activities	<u>163,796</u>	<u>211,793</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from/(purchase) of property, plant and equipment	(4,761)	734
Proceeds from/(purchase) of term deposit	72,390	(96,097)
Net cash provided by (used in) investing activities	<u>67,629</u>	<u>(95,363)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents held	231,425	116,430
Cash and cash equivalents at beginning of year	<u>185,546</u>	<u>69,116</u>
Cash and cash equivalents at end of financial year	<u><u>416,971</u></u>	<u><u>185,546</u></u>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

The financial report covers Council on the Ageing (NSW) Inc (The Association) as an individual entity. Council on the Ageing (NSW) Inc is a Not-for-profit Association, registered and domiciled in Australia.

The principal activities of Council on the Ageing NSW Inc during the financial year were to represent the interests and wellbeing of older people in New South Wales to governments, organisations and the public. The Association applies funds including governments grants to the development of the social policy, information and programs pertaining to older persons in New South Wales.

The functional and presentation currency of Council on the Ageing (NSW) Inc is Australian dollars.

The financial report was authorised for issue by the Committee of Management on 17 September 2021.

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporations Act 2009.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

As permitted by the amended AASB 1053 Application of Tiers of Australian Accounting Standards, the Association has not provided comparative information for those disclosures that it had not previously made in the notes of its general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements 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.

##### (b) Comparative Amounts

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

##### (c) New and amended standards adopted

The Association has elected to adopt the following standards and amendments early:

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future reporting periods.

##### (d) Income Tax

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

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies (continued)

#### (e) Leases

##### Right of use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the relevant commencement date less any lease incentives received. Unless the Association is reasonably certain to obtain ownership of the leased asset at the end of the relevant lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the relevant lease term. Right-of-use assets are subject to impairment.

##### Lease liabilities

At the commencement date of the relevant lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the relevant commencement date), and amounts expected to be paid under residual value guarantees. The Association applies the practical expedient to not separate non-lease components from lease components, and instead accounts for each lease component and any associated lease components as a single lease component.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Association uses the incremental borrowing rate at the relevant lease commencement date if the interest rate implicit in the lease is not readily determinable. After the relevant commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### (f) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those 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 Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies (continued)

#### (f) Revenue and other income (continued)

##### 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 obligation 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.

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

Amounts arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The Association 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.

#### (g) 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.

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.

#### (h) Financial instruments

Financial instruments are recognised initially on the date that the Association 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.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies (continued)

#### (h) Financial instruments (continued)

##### Classification

On initial recognition, the Association classifies its financial assets into the following categories, those 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 Association 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 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 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 Association 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 Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk. The Association uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association 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 Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### 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 Association 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 Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flow is 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.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies (continued)

#### (h) Financial instruments (continued)

##### Financial Liabilities

The Association 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 Association comprise trade and other payable.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprise 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.

#### (j) Employee benefits

Provision is made for the Association'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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards, apart from the ones disclosed in Note 1. These standards are not expected to have a material impact on the Association in the current or future reporting periods and on foreseeable transactions.

#### (l) Critical Accounting Estimates and Judgments

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### Key judgments - grant income

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the Association, review of the grants' terms and conditions.

Grants received by the Association have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Revenue and Other Income

#### Revenue from continuing operations

	2021	2020
	\$	\$
Sales revenue		
- operating grants	474,370	474,370
- client services fees	304,145	269,045
- project grants	264,407	271,861
- national survey income	105,000	14,000
- donations	39,735	24,371
- insurance commission	7,305	8,497
- membership fees	3,666	5,634
- interest income	3,323	7,939
<b>Total Revenue</b>	<b>1,201,951</b>	<b>1,075,717</b>

#### Other Income

- Government subsidy	127,705	40,336
	<b>127,705</b>	<b>40,336</b>

### 3 Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	416,971	185,546

### 4 Other assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	16,487	16,513
Accrued income	1,585	2,378
	<b>18,072</b>	<b>18,891</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 5 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	59,680	22,889
Sundry payables and accrued expenses	27,258	9,655
Other payables	18,263	11,994
	<u>105,201</u>	<u>44,538</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 6 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Deferred income	16,566	2,250
Grant received in advance	-	99,547
	<u>16,566</u>	<u>101,797</u>

### 7 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Provision for annual leave	41,397	54,189
	<u>41,397</u>	<u>54,189</u>

### 8 Lease liabilities

	2021	2020
	\$	\$
CURRENT		
Balance at the beginning of the year	80,515	134,081
Addition during the year	31,140	-
Less:		
Payment made during the year	(61,258)	(53,566)
<b>Balance at end of the year</b>	<u><u>50,397</u></u>	<u><u>80,515</u></u>



## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 8 Lease liabilities (continued)

#### Association as a lessee

Information relating to the leases in place and associated balances and transactions are provided below.

	Equipment	Premises	Total
	\$	\$	\$
<b>Right-of-use assets</b>			
Year ended 30 June 2021			
Balance at the beginning of the year	36,241	36,198	72,439
Addition during the year	31,140	-	31,140
Depreciation charge	(19,072)	(36,198)	(55,270)
<b>Balance at end of the year</b>	<b>48,309</b>	<b>-</b>	<b>48,309</b>

### 9 Fundraising

	2021	2020
	\$	\$
Donations	39,735	24,371
Expenses	-	-
	<b>39,735</b>	<b>24,371</b>

### 10 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2021 (30 June 2020: None).

### 11 Audit fees

	2021	2020
	\$	\$
Audit of financial statements	10,000	9,300

### 12 Related Parties

#### (a) The Association's main related parties are as follows:

##### (i) Insurance and Membership Services Limited (IMS)

The Association is a current client of IMS. During the year ended 30 June 2021, the Association received insurance commissions of \$7,305 (2020: \$8,497) as a result of the Association's members taking up insurance with the entity.

##### (ii) COTA Australia Ltd

The Association is a member of COTA Australia Ltd, a Company incorporated in Australia and limited by guarantee. The Association paid nil levies (2020: \$2,000) to COTA Australia Ltd to fund National Policy activities.

#### (b) Key management personnel

The total remuneration paid to key management personnel of the Association is \$163,155 (2020: \$157,680).

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 13 Events Occurring After the Reporting Date

The financial report was authorised for issue on 17 September 2021.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

### 14 Statutory Information

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

Council on the Ageing (NSW) Inc

Level 11, St Martins Tower

31 Market Street

Sydney NSW 2000

## Council on the Ageing (NSW) Inc

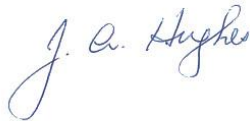
ABN 31 090 328 955

### Committee of Management Declaration

The Committee of Management declare that in the Committee of Management's opinion:

- present fairly the financial position of Council on the Ageing (NSW) Inc as at 30 June 2021 and its performance for the year ended on that date;
- 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.



President:

Joan Hughes



Treasurer:

Geoffrey Banting

Dated this 17th day of September 2021

**Report on the Audit of the Financial Report**