

The Council on the Ageing (WA) Incorporated

ABN 79 970 893 100

Special Purpose Financial Report – 30 June 2023

**The Council on the Ageing (WA) Incorporated
Corporate Governance Statement
30 June 2023**

The Board of Directors present their financial report of The Council on the Ageing (WA) Incorporated (“COTA (WA)”) for the financial year ended 30 June 2023.

COTA (WA) provides services, advocacy and advice to advance the rights, needs and interests of older Western Australians.

COTA (WA) is governed by a Board of Directors and is comprised of a Chair, Deputy Chair and four Directors as at 30 June 2023.

The Board of Directors governs COTA (WA) in accordance with its Constitution and its Board Policies. The Board of Directors sets its strategic direction, gives leadership, governs itself, works effectively and consistently ensures that its fiduciary responsibilities are met and holds its Chief Executive accountable for operational matters.

COTA (WA) Board of Directors comprise a minimum of five (5) Directors and a maximum number such as the Board may determine from time to time. The CEO is an ex-officio member of the Board but is not a Director and has no right to vote at a meeting of the Board.

An Elected Director who has held office for 3 consecutive Terms since first being elected by Members may only be re-appointed as a Director where the Board unanimously agrees that there is a need for the continuing service of that Elected Director in which case the Board may re-appoint that Director for a further period ceasing at the next Annual General Meeting. Details of Directors who served on the Board during the 2022-2023 financial year are as follows:

Helen Moorhead

Mary Anne Stephens

Helen Reid

Gary Martin (August 2022)

Cam Ansell

Anne Fairbanks

The Council on the Ageing (WA) Incorporated
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The Chief Executive of COTA (WA) is Christine Allen (resigned August 2023). She attends all Board and Committee Meetings.

The Board's key responsibilities include:

- Exercising the authority given to it by its Constitution;
- Ensuring Compliance with relevant legislation;
- Maintaining governance and holding its Chief Executive Officer accountable for all operational matters;
- Being accountable for COTA (WA)'s overall performance;
- Ensuring that COTA (WA) is solvent and able to meet its financial obligations as and when they become due;
- Being responsible for Board development, succession planning and its own performance processes;
- Setting COTA (WA)'s strategic direction and working with the CEO to execute;
- Exercising due diligence, fiduciary responsibility and ensuring that risk is identified and managed appropriately.

COTA (WA)'s financial statements are audited by Armada Audit and Assurance Pty Ltd.

An Annual General Meeting is held annually to present the annual financial statements to the Members of COTA (WA). The next such meeting is scheduled for December 2023.

The Council on the Ageing (WA) Incorporated
Board of Directors' report
30 June 2023

The Board of Directors present their financial report of The Council on the Ageing (WA) Incorporated ("COTA (WA)") for the financial year ended 30 June 2023.

Board of Directors

The Board of Directors have been in office since the start of the financial year to the date of this report unless otherwise stated in the Corporate Governance Statement.

Principal activities

The principal activity of COTA (WA) during the financial year was the provision of services, advocacy and advice to advance the rights, needs and interests of older West Australians.

Operating result

The net deficit of COTA (WA) for the financial year ended 30 June 2023 amounted to \$173,385 (2022: deficit of \$190,058).

During the year, COTA (WA) applied the accounting policies described in Note 1 to these financial statements and complied with the financial reporting requirements of the *Associations Incorporations Act (WA) 2015* and Division 60 of the *Australian Charities and Not-for-profits Commission Act of 2012*.

Auditor's Independence Declaration

The Association received an Independence Declaration from our auditor for the year ended 30 June 2023. A copy is attached.

On behalf of the members


Mary Anne Stephens

Chair

20 October 2023

Perth



Anne Fairbanks

Director of the Board

20 October 2023

Perth

The Council on the Ageing (WA) Incorporated
Financial report
30 June 2023

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General information

The financial report covers The Council on the Ageing (WA) Incorporated ("COTA (WA)") as an individual entity. The financial report is presented in Australian dollars, which is COTA (WA)'s functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Board of Directors' declaration.

COTA (WA) is an incorporated association, regulated under the Australian Charities and Not-for-Profits Commission ("ACNC") and domiciled in Western Australia. Its registered office and principal place of business are:

Registered office and Principal place of business

Suite 2
The Perron Centre
61 Kitchener Avenue
Victoria Park WA 6100

A description of the nature of the incorporated association's operations and its principal activities are included in the Board of Directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of the Board, on 20 October 2023. The Board of Directors have the power to amend and reissue the financial report.

The Council on the Ageing (WA) Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue and other income			
Grants	3	129,286	118,436
Contract funding	4	359,415	351,475
Strength for life fees		57,015	59,343
Commissions and royalties		26,462	12,894
Membership fees		10,520	15,977
Donations and sponsorships	5	61,253	72,173
Interest		4,627	385
Other income		36	550
Total revenue and other income		<u>648,614</u>	<u>631,233</u>
Expenses			
Employee benefits expense		(507,843)	(539,461)
Operating expenses	6	(57,883)	(84,123)
Accommodation expenses	7	(49,076)	(55,602)
Project expenses	8	(170,142)	(107,411)
Membership expenses		(3,872)	(6,459)
Other expenses		(12,339)	(15,965)
Depreciation and amortisation		(16,479)	(3,767)
Insurances		(4,365)	(8,503)
Total expenses		<u>(821,999)</u>	<u>(821,291)</u>
Deficit from operating activities		(173,385)	(190,058)
Income tax expense		-	-
Deficit after income tax expense		(173,385)	(190,058)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(173,385)</u>	<u>(190,058)</u>

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

The Council on the Ageing (WA) Incorporated
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	9	432,985	746,209
Trade and other receivables	10	8,030	-
Other current assets		10,808	11,809
Total current assets		<u>451,823</u>	<u>758,018</u>
Non-current assets			
Right of use assets		-	5,021
Total non-current assets		<u>-</u>	<u>5,021</u>
Total assets		<u>451,823</u>	<u>763,039</u>
Liabilities			
Current liabilities			
Trade and other payables	11	27,580	51,944
Contract liabilities	12	12,798	143,123
Employee benefits	13	100,261	80,812
Lease liabilities		-	1,940
Other current liabilities		7,500	8,151
Total current liabilities		<u>148,139</u>	<u>285,970</u>
Total liabilities		<u>148,139</u>	<u>285,970</u>
Net assets		<u>303,684</u>	<u>477,069</u>
Equity			
Retained surpluses	14	<u>303,684</u>	<u>477,069</u>
Total equity		<u>303,684</u>	<u>477,069</u>

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

The Council on the Ageing (WA) Incorporated
Statement of changes in equity
For the year ended 30 June 2023

	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	667,127	667,127
Deficit after income tax expense for the year	(190,058)	(190,058)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(190,058)</u>	<u>(190,058)</u>
Balance at 30 June 2022	<u>477,069</u>	<u>477,069</u>
	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	477,069	477,069
Deficit after income tax expense for the year	(173,385)	(173,385)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(173,385)</u>	<u>(173,385)</u>
Balance at 30 June 2023	<u><u>303,684</u></u>	<u><u>303,684</u></u>

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

The Council on the Ageing (WA) Incorporated
Statement of cash flows
For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from operations		505,631	636,337
Interest received		4,627	385
Payments to suppliers and employees		<u>(810,071)</u>	<u>(697,514)</u>
Net cash used in operating activities	15b	(299,813)	(60,792)
Cash flows from financing activities			
Payment of Motor Vehicle Leases		(11,456)	-
Instalments on lease printer		<u>(1,955)</u>	<u>(5,683)</u>
Net cash used in financing activities		(13,411)	(5,683)
Net decrease in cash and cash equivalents		(313,224)	(66,475)
Cash and cash equivalents at the beginning of the financial year		<u>746,209</u>	<u>812,684</u>
Cash and cash equivalents at the end of the financial year	15a	<u><u>432,985</u></u>	<u><u>746,209</u></u>

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

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 1. Significant accounting policies

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

Basis of preparation

In the Board of Directors' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

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

Going Concern

For the year ended 30 June 2023, the Association incurred a net loss of \$173,385 and has a current asset position of \$303,684. The Association has a total cash position of \$877,740 and a current asset position of \$387,522 as at 1 October 2023. Included in the current asset position is unearned revenue of \$340,755 which the Association will discharge via delivery of the services on the contracts. The Association has prepared a cash flow forecast which notes that the cash reserves plus the funding from grant contracts and other revenue streams (Strength for life fees, Commissions and royalties and donations) is sufficient to cover the operating costs for a period of 12 months from the date of this financial report. The Association primary source of funding comprises grants from Federal and State agencies with whom the Association enters into funding agreements for a period of one to three years, the Association expects its core funding contracts to be renewed for period at least 12 months from the date of this financial report. In the event that there is a delay in the timing of receiving new contracts or extension of existing contracts the Association will reduce its discretionary costs until such time as the funding secured. Therefore, based on all the factors above the Association considers the going concern basis of preparation to be appropriate.

Revenue recognition

To determine whether and when to recognise revenue, the Association follows a 5-step process:

- (1) Identifying the contract with a customer;
- (2) Identifying the performance obligations;
- (3) Determining the transaction price;
- (4) Allocating the transaction price to the performance obligations; and
- (5) Recognising revenue when/as the performance obligation(s) are satisfied.

The Association's main revenue sources and accounting policies are listed below:

Grants, Sponsorship Revenue and Contract Funding

Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the new accounting standard AASB 15 *Revenue from Contracts with Customers* (AASB 15). If revenue or grant funding is a result of a contract with a customer with enforceable rights, and obligations that are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than AASB 1058 *Income for Not-For-Profit Entities* (AASB 1058). Government grants are recognised in the period in which the sufficiently specific criteria are met. If the agreement is not enforceable and/or does not contain sufficiently specific performance obligations, revenue is recognised on receipt in accordance with AASB 1058.

Furthermore, if the contract contains a requirement to return unspent funds such amounts are recognised as a provision in accordance with AASB 137 *Provisions, Contingent Asset and Liabilities*.

Contract assets

Contract assets are recognised when the incorporated association has transferred goods or services to the customer but where the incorporated association is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities

Contract liabilities represent the incorporated association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the incorporated association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

Commissions, Royalties, Membership and Supporters Fees

Commissions, Royalties, Membership and Supporters Fees are recognised at the time of receipt.

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note1. Significant accounting policies (continued)

Donations

Donations are recognised at the time the entity obtains control over the funds, which is usually at the time of receipt.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

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

Volunteer services

A not-for-profit entity may in accordance with AASB 1058, as an accounting policy choice, elect to recognise volunteer services, as revenue, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been provided. The Association has elected not to recognise services in-kind as revenue as the fair value cannot be measured reliably in accordance with AASB 13 *Fair Value*.

Income tax

As the incorporated association 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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

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

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

Motor vehicles (right-of-use)	Over the period of the contract
Computer and Office equipment (right-of-use)	Over the period of the contract
Computer and Office equipment	3-5 years

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

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

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note1. Significant accounting policies (continued)

Trade and other payables

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

Leases

The Association, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Association will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

Initial Measurement and Subsequent Measurement:

(i) Measurement of Lease Liability:

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Association uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(ii) Measurement of Right-of-Use Asset:

The Right of Use Asset is initially measured at cost comprising the initial measurement of the lease liability. Subsequent to initial recognition the right of use asset is amortised over the shorter of the asset's useful life and the lease term on a straight line basis.

Recognition exemption - Short-term leases and leases of low-value assets

The Association has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for low-value assets. The Association will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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

Defined contribution superannuation expense

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

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 1. Significant accounting policies (continued)

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 principal 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 interests. 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.

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

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The 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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the incorporated association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the incorporated association operates. At the reporting date the Association is not able to estimate the overall impact of COVID 19 on its financial report.

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.

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
Note 3. Grants		
Seniors Week	73,177	64,790
Other grants	56,109	53,646
	<u>129,286</u>	<u>118,436</u>
Note 4. Contract funding		
Aged Care System Navigator Project	76,417	131,993
Vulnerable Seniors Peak Body	232,998	219,482
Elder Abuse Awareness Campaign	50,000	-
	<u>359,415</u>	<u>351,475</u>
Note 5. Donations and sponsorships		
Strength for Life donation	60,000	60,000
Mall Walking sponsorships	-	10,000
Other fundraising and donations	1,253	2,173
	<u>61,253</u>	<u>72,173</u>
Note 6. Operating expenses		
Professional Fees	14,816	13,763
Motor Vehicle Expenses	2,656	6,869
Office Running and Maintenance	17,256	26,577
Staff Related Expenditure	8,910	6,633
Information Technology	13,292	29,327
Other	953	954
	<u>57,883</u>	<u>84,123</u>
Note 7. Accommodation expenses		
Rent	32,846	40,721
Computer maintenance	15,337	14,513
Office maintenance	893	368
	<u>49,076</u>	<u>55,602</u>
Note 8. Project expenses		
Advertising and Promotion	1,894	13,253
Forums and Seminars	114	473
Seniors' Week	92,568	41,129
Project Expenses	75,566	52,556
	<u>170,142</u>	<u>107,411</u>
Note 9. Cash and cash equivalents		
Cash at bank	432,985	746,209
	<u>432,985</u>	<u>746,209</u>
Note 10. Trade and other receivables		
Trade debtors	1,575	-
BAS receivable	6,455	-
	<u>8,030</u>	<u>-</u>
Note 11. Trade and other payables		
Trade payables	2,260	21,087
BAS payable	-	1,093
Other payables	25,320	29,764
	<u>27,580</u>	<u>51,944</u>
Note 12. Contract liabilities		
Department of Communities – Community Grants	3,492	53,177
Department of Communities – Peak Funding	-	22,998
Department of Communities – Seniors Awards	-	20,000
Department of Communities – Elder Abuse Awareness	1,302	-
LotteryWest – Seniors Guides	-	46,109
Other	8,004	839
	<u>12,798</u>	<u>143,123</u>

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
Note 13. Employee benefits		
Annual leave	84,162	76,433
Long service leave	16,099	4,379
	<u>100,261</u>	<u>80,812</u>

Note 14. Retained surpluses		
Retained surpluses at the beginning of the financial year	477,069	667,127
Deficit after income tax expense for the year	(173,385)	(190,058)
	<u>303,684</u>	<u>477,069</u>
Retained surpluses at the end of the financial year		

Note 15. Cash flow information

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash and cash equivalents, net of any outstanding bank overdraft. Cash at the end of the reporting year is reconciled to the related items in the statement of financial positions as follows:

	2023	2022
	\$	\$
Cash in hand and at bank	<u>432,985</u>	<u>746,209</u>

(b) Reconciliation of cash flow from operations with net deficit for the year

Net deficit for the year	(173,385)	(190,058)
Non-cash flows in net deficit		
Depreciation and amortisation	16,479	3,767
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	(8,030)	5,489
Decrease in prepayments	-	6,571
(Decrease) / increase in trade and other payables (including contract liabilities)	(154,326)	91,500
Increase in employee benefits	19,449	21,939
Net cash used in operating activities	<u>(299,813)</u>	<u>(60,792)</u>

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the incorporated association:

	2023	2022
	\$	\$
<i>Audit services - remuneration paid to auditors in relation to audit</i>		
Armada Audit and Assurance Pty Ltd	7,500	7,500
	<u>7,500</u>	<u>7,500</u>

Note 17. Contingent liabilities and contingent assets

The incorporated association had no contingent liabilities or contingent assets as at 30 June 2023 and 30 June 2022.

Note 18. Commitments

The incorporated association had no commitment as at 30 June 2023 and 30 June 2022.

Note 19. Events after the reporting period

The following matters have arisen since 30 June 2023 that are or could be considered material and therefore may give rise to a material impact on the incorporated association's operations and/or state of affairs in future years:

- The Chief Executive Officer resigned with effect from 15 August 2023 after serving in that capacity for just over four years. A new Chief Executive Officer has been employed, starting on 16 October 2023.
- COTA (WA) has entered into an implementation deed with COTA Australia, to undertake a restructure of COTA (WA), whereby COTA (WA) converts to a company limited by guarantee and adopts a new constitution, with COTA Australia as its sole member.

The Council on the Ageing (WA) Incorporated
Notes to the financial statements
For the year ended 30 June 2023

Note 20. Related Parties

For the year ended 30 June 2023 the Association paid its key management personnel \$142,307 in salaries and wages.

The Council on the Ageing (WA) Incorporated
Board of Directors' declaration
30 June 2023

In the Board of Directors' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (WA) 2015*;
- the attached financial statements and notes comply with the Accounting Standards as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors


Mary Ache Stephens

Chair

20 October 2023

Perth

Auditor's Independence Declaration under Subdivision 60-40 of the *Australian Charities and Not for Profit Commission Act 2012* to the Board of The Council on the Ageing (WA) Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there has been:

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

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NIGEL DIAS
DIRECTOR

Perth, Dated 20 October 2023

INDEPENDENT AUDIT REPORT ON THE FINANCIAL REPORT TO THE MEMBERS OF THE COUNCIL ON THE AGEING (WA) INCORPORATED

Opinion

We have audited the attached special purpose financial report of The Council on the Ageing (WA) Incorporated. ('the Association') which comprises the statement of financial position as at 30 June 2023, 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 declaration by those charged with governance.

In our opinion, the accompanying financial report of The Council on the Ageing (WA) Incorporated is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) Giving a true and fair view of the Association's financial position as at 30 June 2023 and of its financial performance and cash flows for the year then ended; and
- b) Complying with Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, which has been given to directors, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter on Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and is appropriate to meet the needs of the members. The Directors' responsibility also includes 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 ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 this financial report. A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of this auditor's report.

This description forms part of our audit report.

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Nigel Dias
Director
Perth, Dated 20 October 2023