

# ***University of the Third Age Brisbane Inc.***

ABN 57 827 746 544

## **Financial Report**

**For the year ended 31st December 2018**

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**University of the Third Age Brisbane Inc.**  
**Balance Sheet**  
**As at 31st December 2018**

	Note	2018 \$	2017 \$
<b>Current Assets</b>			
Cash Float		400	400
Bank accounts		398,553	292,880
Term Deposits	5	56,551	56,551
Prepayments		0	4,139
		<u>455,504</u>	<u>353,970</u>
<b>Non Current Assets</b>			
Property Plant & Equipment	7	<u>917,363</u>	<u>958,856</u>
<b>Total Assets</b>		<u>1,372,867</u>	<u>1,312,826</u>
<b>Current Liabilities</b>			
Sundry Creditors		7,880	5,459
U3A Noteholders	5, 9	<u>57,308</u>	<u>57,983</u>
		<u>65,188</u>	<u>63,442</u>
<b>Non Current Liabilities</b>			
U3A Noteholders	5, 9	<u>530,625</u>	<u>579,825</u>
		<u>530,625</u>	<u>579,825</u>
<b>Total Liabilities</b>		<u>595,813</u>	<u>643,267</u>
<b>Net Assets</b>		<u>777,054</u>	<u>669,559</u>
<b>General Funds</b>			
Balance 1st January 2018		269,559	255,479
to Property Loan Redemption Reserve	3	(50,000)	(50,000)
Surplus for the year		107,495	64,080
Balance 31st December 2018		<u>327,054</u>	<u>269,559</u>
<b>Reserves</b>			
Property Loan Redemption Reserve	3	300,000	250,000
General Contingency Reserve	3	150,000	150,000
<b>Total Equity</b>		<u>777,054</u>	<u>669,559</u>

**University of the Third Age Brisbane Inc.**  
**Statement of Income & Expenditure**  
**For year ended 31st December 2018**

	Note	2018 \$	2017 \$
<b>Income</b>			
Membership Subscriptions	4	151,222	139,672
Class Fees		337,606	291,184
Computer Class Fees		17,931	21,784
Social Committee Functions		17,605	15,315
Interest Received		5,959	6,552
Donations		3,175	6,000
Other Income		4,503	5,498
		<u>538,001</u>	<u>486,005</u>
<b>Expenses</b>			
Advertising		77	4,026
Bank Charges		5,030	4,948
Cleaning		17,904	14,676
Computer Repairs		2,788	2,653
Conferences		433	100
Depreciation	7	48,046	46,195
Electricity		12,647	14,052
Insurance		11,636	9,530
Licence Fees		3,375	2,896
Postage		7,270	5,892
Printing and reproduction		16,455	14,552
Professional Fees		4,995	3,825
Rent for Premises	10	146,596	140,349
Repairs and Maintenance		12,554	11,563
Social Committee Functions		14,840	15,613
Stationery		5,523	7,789
Telephone		3,431	3,124
Other Expenses		7,396	10,748
<b>Property Expenses</b>			
Body Corporate		18,219	13,869
Rates Water & Sewerage		8,191	7,778
SIA Administration Fee		0	2,721
Interest to U3A Noteholders	9	59,500	61,426
Property Capital Write Off	7	23,600	23,600
		<u>430,506</u>	<u>421,925</u>
<b>Net Surplus for the year</b>		<u>107,495</u>	<u>64,080</u>

**University of the Third Age Brisbane Inc.**  
**Statement of Cash Flows**  
**For year ended 31st December 2018**

	Note	2018 \$	2017 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from members		581,754	520,798
Interest & Donations Received		9,134	12,552
Payments to suppliers		(345,687)	(336,071)
<b>Net cash flows from operating activities</b>		<u>245,201</u>	<u>197,279</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of property and equipment		(30,151)	(7,372)
Proceeds on disposal of equipment		-	-
<b>Net cash flows used in investing activities</b>		<u>(30,151)</u>	<u>(7,372)</u>
<b>Cash Flows from Financing Activities</b>			
Loans from Noteholders			
Repayments of interest and capital		(109,377)	(128,944)
<b>Net cash flows used in financing activities</b>		<u>(109,377)</u>	<u>(128,944)</u>
<b>Net cash movement</b>		105,673	60,963
<b>Cash at beginning of year</b>		<u>349,831</u>	<u>288,868</u>
<b>Cash at end of year</b>		<u><u>455,504</u></u>	<u><u>349,831</u></u>

**Reconciliation of net surplus to net cash flow from operations**

<b>Net Surplus for the year</b>	107,495	64,080
Depreciation	48,046	46,195
Property Write Off	23,600	23,600
Interest to U3A Noteholders	59,500	61,426
Other	-	670
Decrease in prepayments	4,139	5,701
Increase / Decrease in Creditors	2,421	(4,393)
<b>Net cash flows from operating activities</b>	<u>245,201</u>	<u>197,279</u>

**University of the Third Age Brisbane Inc.**  
**Notes to the Financial Report**  
**For year ended 31st December 2018**

**1. Financial Reporting Framework**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of Section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013. The report was previously prepared under the requirements of the Associations Incorporations Act.

**2. Significant Accounting Policies**

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is prepared on the accruals basis of accounting. The measurement and recognition aspects of Australian Accounting Standards have been followed in the preparation of this report only.

**3. Reserves**

In 2013 the Committee of Management adopted a 10 year Financial Plan under which it is required to retain \$150,000 in a cash investment as a General Contingency Reserve and that \$50,000 each year should be transferred to a reserve account titled Property Loan Redemption Reserve to meet the final redemption payment whenever it occurs.

**4. Members Subscriptions**

Subscriptions are recognised as income when received.

**5. Mortgages, Charges and Securities**

U3A Brisbane Noteholders Association Inc. holds a General Security Agreement and a collateral Mortgage registered against the Title to the Property at 97 Creek St. Brisbane. The General Security Agreement creates a first charge in favour of U3A Brisbane Noteholders Association Inc. over the property and all other assets of the Association.

As a requirement of the lease of level 5 232 Adelaide St Brisbane the Association had to provide in favour of the Landlord IOF Custodian Pty Ltd an unconditional bank guarantee without expiry date of three months base rent. Suncorp Bank provides this guarantee in the sum of \$56,551 and hold a term deposit of \$56,551 as sole security against the guarantee.

**6. Income Tax**

The Association is registered as an income tax exempt charitable institution under subdivision 50-B of the Income Tax Assessment Act

**7. Depreciation**

Depreciation is charged to allocate the carrying value over the useful life of the assets. The property is depreciated at 2.5% and equipment, computers and furniture are depreciated at rates varying from 10% to 33%

**University of the Third Age Brisbane Inc.**  
**Notes to the Financial Report**  
**For year ended 31st December 2018**

<b>8. Property Plant &amp; Equipment</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Property 97 Creek St Brisbane	944,336	944,336
Accumulated Capital Write Off	165,200	141,600
	<u>779,136</u>	<u>802,736</u>
Creek St Furniture & Equipment	38,480	28,096
Accumulated Depreciation	16,060	13,989
	<u>22,420</u>	<u>14,107</u>
Adelaide Street Fitout	122,662	115,692
Accumulated Depreciation	52,196	33,797
	<u>70,466</u>	<u>81,895</u>
Adelaide St Furniture & Equipment	106,512	99,988
Accumulated Depreciation	61,171	39,870
	<u>45,341</u>	<u>60,118</u>
Total Property Plant & Equipment	<u>917,363</u>	<u>958,856</u>

**9. Property Purchase**

During the 2012 year, the Association exercised its option to purchase the property at its current location at 97 Creek Street, Brisbane. The purchase was funded by U3A Noteholders Association Inc. who hold security over the assets of the Association. The mortgage is subject to an Administration Service Agreement which U3A Brisbane and U3A Noteholders have entered into. The Association has agreed to make monthly payments of \$12,000 to the National Property Accounts to ensure that all property expenses are covered.

Following the redemption of five of the notes the six monthly payments, made in September and March each year; consist of \$29,715 interest and \$21,225 return of capital. The return of capital payments for the coming twelve months and interest accrued to December 2018 and payable with the March 2019 payment have been taken up as current liabilities.

**10. Property Lease**

In November 2015 the Association entered an agreement to lease 388 square metres of space at Level 5 232 Adelaide St Brisbane, the terms of the lease were successfully negotiated and lease documents were signed with a commencement date of 1 August 2016. The landlord is IOF Custodian Pty Limited, the building is managed by Investa Asset Management (QLD) Pty Ltd. The lease is for a period of ten years with an additional five year option. The lease is subject to an early termination date of 30 June 2023 if the Landlord provides notice 18 months prior to this date, that it requires the building for redevelopment. The tenant has the option of early termination on 31 July 2021 providing 12 months notice is given to the Landlord. The rent for the term of the lease is subject to a fixed escalation of 3% per annum.

**University of the Third Age Brisbane Inc.  
Committee Declaration**

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

1. 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

2. the financial statements and notes satisfy the requirements of the  
Australian Charities and Not-for-profits Commission Act 2012

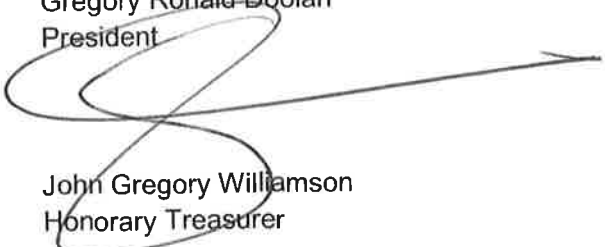
Signed in accordance with subsection 60.15(2) of the Australian  
Charities and Not-for-profit Commission Regulation 2013

On behalf of the Committee

Dated at Brisbane this 22nd day of  
February 2019



Gregory Ronald Doolan  
President



John Gregory Williamson  
Honorary Treasurer

# **Independent Audit Report to the members of University of the Third Age Brisbane**

## **Report on the Financial Report**

I have audited the financial report of The University of the Third Age Brisbane Inc., which comprises the balance sheet as at 31 December 2018, the statement of income and expenditure and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee declaration.

In my opinion, the accompanying financial report of The University of the Third Age Brisbane Inc is in accordance with the Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- giving a true and fair view of the Association's financial position as at 31 December 2018 and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, and the Division 60 of the Australian Charities and Not-for-Profits Commission Regulation 2013.

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Association in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter - Basis of Accounting**

I 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 directors' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

### **Responsibilities of the Committee for the Financial report**

The Committee 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 ACNC Act and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the committee determine is necessary to enable the preparation of a 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 committee are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.



# **Independent Audit Report to the members of University of the Third Age Brisbane Inc.**

## **Auditor's Responsibilities for the Audit of the Financial Report**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at : <http://www.auasb.gov.au/Home.aspx>. This description forms part of my auditor's report.



**Mark O'Shea**

Chartered Accountant, Registered Company Auditor

Dated 22nd February 2019

Level 4, 26 Wharf Street, Brisbane. QLD 4000