



University of the Third Age - Hobart Inc.

Association Reg. No. 2385 ABN 17 708 266 218

**PO Box 71
Sandy Bay
TAS 7006**

FINANCIAL STATEMENTS

FOR YEAR ENDED 31 December 2020

The accompanying financial statements for the year ended 31 December 2020 comprising a Balance Sheet, an Operating Income Statement, an Investing Income Statement, and Notes thereto, have been prepared from accounts and records of the University of the Third Age - Hobart Inc. and are in agreement with those accounts and records.

At the date of signing we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.


John Green
PRESIDENT


Ches Bogus
TREASURER

18 January 2021

University of the Third Age - Hobart Inc.

BALANCE SHEET as at 31 December 2020

ASSETS	Note	2020 \$	2019 \$
Current Assets			
Operating - Cash and Bank Accounts		70,630	67,137
Operating - Accrued interest		56	319
GST - Net Amount Claimable		503	562
Prepaid Expenses		1,500	2,158
Total Current Assets		72,689	70,176
Non-Current Assets			
Davies Fund - Term Deposits		552,524	547,535
Davies Fund - Bank Accounts		695	453
Davies Fund - Accrued Interest		2,871	1,481
Total Davies Fund	2	556,090	549,469
Equipment and Furniture	3	1,915	2,956
Total Non-Current Assets		558,005	552,425
TOTAL ASSETS		\$630,694	\$622,601
LIABILITIES			
Current Liabilities			
Members Subscriptions for Next Year	4	16,547	18,085
TOTAL LIABILITIES		16,547	18,085
NET ASSETS		\$614,147	\$604,516
EQUITY			
Accumulated Funds			
Balance from Past Years		55,048	51,919
Net Surplus for Year		3,010	3,129
Total Accumulated Funds		58,058	55,048
Davies Fund Reserves			
Original Bequest	2	314,639	314,639
Capital Maintenance Reserve	2	190,450	180,950
Unappropriated Surpluses from Investing	2	51,000	53,879
Total Davies Fund Reserves		556,089	549,468
TOTAL EQUITY		\$614,147	\$604,516

University of the Third Age - Hobart Inc.
Maureen and Roy Davies Fund

INVESTING INCOME STATEMENT for Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Income from Investing	2	6,621	12,714
Expenditure		0	0
		<u>6,621</u>	<u>12,714</u>
Surplus for Year		6,621	12,714
Add Unappropriated Surpluses at Start of Year		53,879	63,165
Deduct Appropriations to:			
- Normal Operations	2	0	-10,000
- Capital Maintenance Reserve	2	-9,500	-12,000
Unappropriated Surpluses at End of Year		<u>\$51,000</u>	<u>\$53,879</u>

UNIVERSITY OF THE THIRD AGE - HOBART INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the Year Ended 31 December 2020

1 Statement of Significant Accounting Policies

The University of the Third Age - Hobart Inc. (the Association) is a legal entity established under the *Tasmanian Associations Incorporation Act 1964*. These Financial Statements are a 'special purpose financial report' within the meaning of the Australian Accounting Standards. They have been prepared to satisfy the financial reporting requirements of the Act and the needs of the Association's members. Transactions and balances are reported on the accrual basis of accounting using historical costs that do not take into account changing money values.

2 Maureen and Roy Davies Fund

The Fund was created in 2004 following receipt of bequests totalling \$314,639 from the estates of the late Maureen and Roy Davies. These funds have been invested by the Committee in accordance with the Rules of the Association and strategies determined in consultation with the Sub-Committee appointed for purposes of the Fund. The Rules provide for the maintenance of the value of the Fund by an annual appropriation to a capital reserve, of an amount equivalent to the Consumer Price Index for Hobart. The amounts appropriated in compliance with that requirement for 2020 and 2019 were \$9,500 and \$12,000 respectively. The Rules also provide for withdrawals out of the Fund for other purposes. During 2020 and 2019 appropriations of \$ NIL and \$10,000 respectively were made towards the Association's normal operations.

3 Equipment and Depreciation Policy

Only items acquired at a cost of \$1,000 or more are capitalised and included on the Assets Register. They are depreciated at 20% of cost annually. Equipment costing less than \$1,000 is expensed during the year in which it is acquired. Acquisitions of additional computer programs, regardless of their cost, are expensed at the time of purchase. In December 2020, U3A Hobart's operational base was relocated from the Philip Smith Centre on the Glebe to Commerce Annexe building at the University of Tasmania Campus in Sandy Bay. The move provided an ideal opportunity to identify and dispose of obsolete or unserviceable (mostly audio/visual) equipment. Items totalling \$16,014, in acquisition costs, were written off the Assets Register. This had no impact on the cost of operations for 2020 as the items had all been fully depreciated in previous years.

4 Members Subscriptions

Subscriptions paid by members apply from January to December of the membership period. Any subscriptions received prior to January of the membership period are accrued as a liability until the commencement of the year to which they relate. There is no requirement for members to pay enrolment fees for courses they attend. However a contribution towards consumables may apply where appropriate. Typically all courses offered have been held with all participants physically present. However all the 2020

courses were severely disrupted by the COVID-19 outbreak. Just one week into Term 1 all courses were discontinued in face-to-face format; some were adapted to online and this became the norm for the remainder of Term 1, and for Terms 2 and 3. At its 20 July 2020 meeting the Management Committee resolved to waive membership fees in 2021 for all current members. Consequently half of the \$33,095 received during 2020 from subscriptions has been accrued as income for the 2021 financial year.

5 Summer Program

Each year commences with a Summer Program of some 10 sessions, over 5 weeks, that are open to members and the public. Admission, which is by a 'gold coin' contribution, typically does not cover all costs of staging the Program. One of the sessions includes a catered morning tea and is designated as the Maureen and Roy Davies Memorial Lecture in honour of these two late long-term members and benefactors. The Program allows potential new members to experience what U3A offers through wide-ranging courses over the 3 Terms later in the year.

6 Morning Tea

Tea, coffee, biscuits etc. are made available to members attending courses. A contribution set to cover cost of supplies is paid by users. Member contributions and cost of supplies ceased abruptly from March 2020 when, due to COVID-19, online courses replaced actual attendance at classes.

7 Year-End Lunch

Following the end of Term 3 a celebratory lunch is usually arranged for members and their guests with some entertainment being provided. Fees paid by attendees are set to approximately recover the associated costs of catering, venue hire and incidentals. No lunch for members was held in 2020 due to COVID-19 restrictions on gatherings.

8 Rent of Tuition Venues, Office and Car Park

These rental costs relate mainly to rooms used for courses and lectures as well as office space at the Philip Smith Centre, Edward Street, Glebe. Some of the cost is for use by class attendees of an off-street car parking site in close proximity to the Centre. These costs reduced significantly due to cessation of face-to-face courses due to COVID-19 restrictions on gatherings.

9 Computer and Internet Support

The increase in this expense during 2020 reflects the cost of annual support for the UMAS membership database acquired in the previous year.

10 Tutor and Other Tributes

It is customary to present small tokens of appreciation to the tutors and others involved in the many courses provided during the year. Whilst the primary funding of such tributes is from donations by class attendees, some supplementation from the Association's funds is also made available. The reduction in this expense reflects the reduction in courses due to COVID-19 restrictions.

Independent Auditor's Report to the Members of The University of the Third Age – Hobart Inc

Opinion

We have audited the financial report, being a special purpose financial report, of The University of the Third Age – Hobart Inc (the Association), which comprises the balance sheet as at 31 December 2020, the operating income statement and investing income statement 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.

Subject to the below qualification, in our opinion, the financial report of the University of the Third Age – Hobart Inc presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, a view which is consistent with our understanding of the Association's financial position as at 31 December 2020, and of its financial performance as represented by the results of its operations for the year then ended.

Qualifications

It is not practicable for the Association to maintain an effective system of internal control over some income received until initial entry in the accounting records. Accordingly, our audit relating to such income was limited to the amounts recorded in the books of account.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines 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, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

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.



NICK CARTER

Partner

WLF Accounting & Advisory

Date: 12/1/2021