National Seniors Australia Limited and its controlled entities

ABN: 89 050 523 003

Consolidated Financial Report

For the year ended 30 June 2023

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NATIONAL SENIORS AUSTRALIA LIMITED AND CONTROLLED ENTITY
ABN: 89 050 523 003

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue and other income			
Revenue	3	5,579,926	6,025,849
Other revenue	4	738,140	1,116,646
Gains on investments at fair value through profit or loss	4	101,580	-
		6,419,646	7,142,495
Less: expenses			
Depreciation and amortisation expense	5	(1,103,842)	(1,091,062)
Employee benefits expense		(3,572,439)	(3,587,581)
Lease expense		(232,399)	(232,582)
Advertising expense		(1,242,861)	(1,785,689)
Finance costs	5	(105,830)	(144,079)
Loss on investments at fair value through profit or loss	5	-	(533,365)
Professional fees		(208,973)	(422,734)
Travel and accommodation costs		(116,690)	(31,419)
Computer and IT expenses		(347,880)	(351,433)
Contractor expenses		(28,931)	(103)
Other expenses		(354,408)	(191,410)
		(7,314,253)	(8,371,457)
Loss before income tax expense		(894,607)	(1,228,962)
Income tax expense	6	(13,608)	(35,045)
Loss for the year		(908,215)	(1,264,007)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Net change in fair value of financial assets designated at fair value through other comprehensive income, net of tax		87,730	(107,016)
		87,730	(107,016)
Items that may be reclassified subsequently to profit and loss			
Reclassifications to profit or loss, upon disposal of financial assets mandatorily classified at fair value through other comprehensive income, net of tax		(26,765)	31,726
		(26,765)	31,726
Other comprehensive income / (loss) for the year		60,965	(75,290)
Total comprehensive loss		(847,250)	(1,339,297)

The accompanying notes form part of these financial statements.

NATIONAL SENIORS AUSTRALIA LIMITED AND CONTROLLED ENTITY
ABN: 89 050 523 003

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	7	**480,200**	1,899,920
Receivables	8	**654,391**	422,817
Other financial assets	9	**1,435,102**	810,003
Current tax assets	6	**49,761**	3,551
Other assets	10	**81,370**	68,167
Total current assets		**2,700,824**	3,204,458
Non-current assets			
Other financial assets	9	**6,098,767**	5,788,454
Intangible assets	11	**1,389,479**	1,872,938
Lease assets	12	**316,793**	829,624
Property, plant and equipment	13	**73,871**	165,109
Total non-current assets		**7,878,910**	8,656,125
Total assets		**10,579,734**	11,860,583
Current liabilities			
Payables	14	**558,390**	497,269
Lease liabilities	12	**273,104**	680,358
Provisions	15	**592,217**	287,089
Contract liabilities	16	**47,093**	15,196
Total current liabilities		**1,470,804**	1,479,912
Non-current liabilities			
Lease liabilities	12	**122,931**	396,034
Provisions	15	**55,264**	215,428
Deferred tax liabilities	6	**43,745**	8,204
Total non-current liabilities		**221,940**	619,666
Total liabilities		**1,692,744**	2,099,578
Net assets		**8,886,990**	9,761,005
Equity			
Reserves	17	**48,750**	(12,215)
Accumulated funds	18	**8,838,240**	9,773,220
Total equity		**8,886,990**	9,761,005

The accompanying notes form part of these financial statements.

NATIONAL SENIORS AUSTRALIA LIMITED AND CONTROLLED ENTITY
ABN: 89 050 523 003

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Reserves $	Accumulated funds $	Total equity $
Consolidated			
Balance as at 1 July 2021	63,075	11,005,501	**11,068,576**
Deficit for the year	-	(1,264,007)	**(1,264,007)**
Net change in fair value of financial assets designated at fair value through other comprehensive income	(107,016)	-	**(107,016)**
Reclassifications to profit or loss, upon disposal of financial assets mandatorily classified at fair value through other comprehensive income	31,726	-	**31,726**
Total comprehensive income for the year	(75,290)	(1,264,007)	**(1,339,297)**
Transfers	-	31,726	**31,726**
Balance as at 30 June 2022	(12,215)	9,773,220	**9,761,005**
Balance as at 1 July 2022	(12,215)	9,773,220	**9,761,005**
Deficit for the year	**-**	(908,215)	**(908,215)**
Net change in fair value of financial assets designated at fair value through other comprehensive income	87,730	-	**87,730**
Reclassifications to profit or loss, upon disposal of financial assets mandatorily classified at fair value through other comprehensive income	(26,765)	-	**(26,765)**
Total comprehensive income for the year	60,965	(908,215)	**(847,250)**
Transfers	**-**	(26,765)	**(26,765)**
Balance as at 30 June 2023	48,750	8,838,240	**8,886,990**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Cash flow from operating activities			
Receipt from members, grantors and customers		**6,351,652**	6,624,459
Payments to suppliers and employees		**(6,496,874)**	(6,852,609)
Investment income received		**339,070**	327,318
Interest received		**5,223**	3,186
Interest paid		**(97,759)**	(85,031)
Income tax refund/(paid)		**(24,277)**	223,731
Net cash provided by operating activities		**77,035**	241,054
Cash flow from investing activities			
Payment for property, plant and equipment		**(16,314)**	(4,326)
Payment for intangibles		**-**	(64,371)
Investment in term deposits		**(625,009)**	(188,178)
Payments for investments in equity and debt securities		**(529,541)**	(1,038,953)
Proceeds from sale of investments in equity and debt securities		**354,466**	957,891
Net cash used in investing activities		**(816,398)**	(337,937)
Cash flow from financing activities			
Payment of lease liabilities		**(680,357)**	(672,710)
Net cash used in financing activities		**(680,357)**	(672,710)
Reconciliation of cash			
Cash at beginning of the financial year		**1,899,920**	2,669,513
Net decrease in cash held		**(1,419,720)**	(769,593)
Cash at end of financial year		**480,200**	1,899,920

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers National Seniors Australia Limited and its consolidated entity. National Seniors Australia Limited is a company limited by shares, incorporated and domiciled in Australia. National Seniors Australia Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar.

Financial statement presentation
The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the revaluation of selected non-current assets, and financial assets and liabilities for which the fair value basis of accounting has been applied.

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

(b) New and revised accounting standards effective at 30 June 2023

The group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

(d) Revenue

The company derives revenue from membership subscription fees, insurance commission, advertising and grants. Revenue is recognised as, or when goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services.

Membership subscription fees

Membership fees are recognised as revenue when no significant uncertainty as to its collectibility exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

Commissions

Commission revenue is derived from insurance premiums and travel holidays based on the volume of products or services that are delivered to the group's members from third party providers. The revenue is recognised as a receivable when the products or services have been delivered by the third party providers.

The commission earned is governed by an enforceable contract that specifies the rate at which the group will receive commission per deliverable.

Advertising

Advertising revenue is derived from the sale of advertisement slots in the group's membership magazine. The product is recognised as revenue when the customer is unable to withdraw from the committed advertisement slot, being when the allowable cancellation period has passed.

Receivables from contracts with customers

A receivable from a contract with a customer represents the company's unconditional right to consideration arising from the transfer of goods or services to the customer. Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Other revenue and other income

The company derives income from the transfer of assets when the company provides no consideration in exchange for the asset received, or the consideration provided by the company is significantly less than the fair value of the asset received, principally to enable the company to further its objectives, and the arrangement does not satisfy the criteria to be accounted for as a 'contract with a customer'. This includes cash donations, investment income, sponsorships, fundraising and operating grant revenue.

Cash donations, sponsorships, fundraising and goods donated in-kind

Cash donations, sponsorships, fundraising and goods donated in-kind are recognised as income when the company obtains control of the asset. These revenues are recognised at the fair value of the consideration received.

Operating grants

A transfer of an asset, including cash, under arrangements that do not contain enforceable and sufficiently specific performance obligations is referred to in the financial statements as an 'operating grant'. Assets arising from operating grants are recognised at fair value when the company obtains control of the asset. Any related amounts, are recognised in accordance with the applicable Australian Accounting Standard. The excess of the initial carrying amount of assets received over the aggregate of the consideration provided by the company and any related amounts is recognised as income.

Investment income

Dividend and other distribution revenue is recognised when the right to receive a dividend or other distribution has been established.

Interest

Interest revenue is measured in accordance with the effective interest method.

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

(f) Income tax

The parent of the group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*, however, one of the parent's subsidiaries, Over Fifty Insurance Pty Ltd, is a for profit entity which is not exempt from income tax.

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

(iv) Termination benefits

The group recognises an obligation and expense for termination benefits at the earlier of: (a) the date when the group can no longer withdraw the offer for termination benefits; and (b) when the group recognises costs for restructuring and the costs include termination benefits. In either case, the obligation and expense for termination benefits is measured on the basis of the best estimate of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before twelve months after the end of the reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

(a) the group's business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the group are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Loans to related parties

Loans to related parties are debt instruments, and are classified (and measured) at amortised cost on the basis that:

(a) they are held within a business model whose objective is achieved by the group holding the financial asset to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (Continued)

Long-term equity instruments

Long-term equity instruments comprise ordinary shares in listed entities that are not held for trading. On initial recognition, investments identified by the group as long-term equity instruments are irrevocably designated (and measured) at fair value through other comprehensive income. This election has been made as the directors believe that to otherwise recognise changes in the fair value of these investments in profit or loss would be inconsistent with the objective of holding the investments for the long term.

(j) Plant and equipment

Each class of plant and equipment is measured at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	**Useful lives**	**Depreciation basis**
Leasehold improvements	5-6 years	Straight line
Office equipment	3-6 years	Straight line
Furniture, fixtures and fittings	3-10 years	Straight line
Computer equipment	3-10 years	Straight line

(k) Intangible assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer’s previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Trademarks

Trademarks are recognised at cost and amortised over their estimated useful lives, being ten years. Trademarks are carried at cost less accumulated amortisation and impairment charges.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets (Continued)

Customer relationships

Acquired customer relationships are recognised at cost, which for assets acquired in a business combination is fair value as at the date of acquisition, less any accumulated amortisation and impairment charges. Customer relationship assets are amortised over their estimated useful life of ten years.

Software costs

Software costs are initially recognised as an asset, and are subsequently amortised over their estimated useful lives, being 5 years. Software costs are carried at cost less accumulated amortisation and impairment charges.

(l) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where ‘value in use’ is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same class of asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(n) Provisions

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(q) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial report is authorised for issue.

The amounts recognised in the financial statements reflect events after the reporting period that provide evidence of conditions that existed at the reporting date. Whereas, events after the reporting period that are indicative of conditions that arose after the reporting period (i.e., which did not exist at the reporting date) are excluded from the determination of the amounts recognised in the financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the group's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the group's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Impairment of goodwill

Goodwill is allocated to a cash generating unit or units (CGU's) according to management's expectations regarding which assets will be expected to benefit from the synergies arising from the business combination that gave rise to the goodwill. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 1% (2022: 1%) for cash flows in year two to five and which is based on the historical average and a terminal value growth rate of 1.1% (2022: 1.1%) a discount rate of 16% (2022: 16%) to determine value-in-use.

NOTE 3: REVENUE

Membership revenue	1,335,930	1,881,720
Insurance commission revenue	3,480,793	2,755,103
Publishing and advertising revenue	339,351	332,196
Grants and subsidies revenue	423,852	1,056,830
	5,579,926	6,025,849

NOTE 4: OTHER REVENUE AND OTHER INCOME

Other revenue		
Investment income	225,398	327,318
Interest income	41,197	3,186
Donations and grants	97,173	2,670
Other revenue	374,372	783,472
	738,140	1,116,646
Other Income		
Gain on investments at fair value through profit or loss	101,580	-

	2023 $	2022 $

NOTE 5: OPERATING PROFIT

Losses before income tax has been determined after:

	2023 $	2022 $
Finance costs		
- Lease liabilities- finance charges	43,867	63,065
- Make-good provision - finance charges	8,071	7,692
- Other	53,892	73,322
	105,830	144,079
Depreciation	622,083	609,303
Amortisation	481,759	481,759
Employee benefits:		
- Short term benefits	3,170,654	3,198,275
- Superannuation guarantee contributions	306,325	297,987
- Other employee benefits	95,460	91,319
	3,572,439	3,587,581
Loss on fair value adjustments		
- Financial assets at fair value through profit and loss	-	533,365
Loss on sale of property, plant and equipment	120	952

NOTE 6: INCOME TAX

(a) Components of tax expense

	2023 $	2022 $
Current tax	3,677	47,170
Deferred tax	35,541	(1,902)
Over provision in prior years	(25,610)	(10,223)
	13,608	35,045

	2023 $	2022 $

NOTE 6: INCOME TAX (CONTINUED)

(b) Income tax reconciliation

	2023 $	2022 $
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 25.0% (2022: 25.0%)	(223,652)	(307,241)
Add tax effect of:		
- Results of tax exempt entities	373,218	395,720
	373,218	395,720
Less tax effect of:		
- Over provision for income tax in prior years	25,610	10,223
- Other deductible items	41	-
- Franked dividends	110,307	43,600
- Restatement of deferred tax liability due to change in tax rate	-	(389)
	135,958	53,434
Income tax expense attributable to profit	13,608	35,045

Although the parent entity of the group, National Seniors Australia Limited, is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997, a subsidiaries within the group, Over Fifty Insurance Pty Ltd ("OFI"), and All Generations Insurance Brokers Pty Ltd ('AGIB') are taxable entities. The group is therefore liable for tax on the profits of OFI and AGIB. It is group policy for OFI to declare a fully franked dividend to the parent entity at the time the tax liability is settled. Upon payment of this dividend and lodgement of the income tax return, the parent entity will be entitled to refundable franking credits.

(c) Current tax

Current tax relates to the following:

	2023 $	2022 $
Current tax liabilities / (assets)		
Opening balance	(3,551)	(264,229)
Income tax	3,677	36,947
Tax receipts net of payments	(24,277)	223,731
Under / (over) provisions	(25,610)	-
Current tax assets	(49,761)	(3,551)

(d) Deferred tax liabilities

	2023 $	2022 $
Deferred tax liabilities		
Accrued income	43,745	8,204
Net deferred tax liabilities	43,745	8,204

(e) Deferred income tax expense included in income tax expense comprises

	2023 $	2022 $
Increase/(decrease) in deferred tax liabilities	35,541	(1,902)
	35,541	(1,902)

	2023 $	2022 $

NOTE 7: CASH AND CASH EQUIVALENTS

Cash on hand	32	35
Cash at bank	480,168	1,899,885
	480,200	1,899,920

NOTE 8: RECEIVABLES

CURRENT		
Receivables from contracts with customers	88,186	71,567
Other receivables	566,205	351,250
	654,391	422,817

NOTE 9: OTHER FINANCIAL ASSETS

CURRENT		
Financial assets measured at amortised cost		
Term deposits	1,435,102	810,003
NON CURRENT		
Financial assets at fair value through profit or loss		
Other investments	5,531,452	5,252,322
Financial assets at fair value through other comprehensive income		
Investments in equity securities	387,098	353,621
Financial assets measured at amortised cost		
Debt securities	180,217	182,511
	6,098,767	5,788,454

Restrictions on investment balances

The term deposits balance includes a balance of $332,486 (2022: $332,486) which is being held as security for bank guarantee facilities. Refer to note 12 for further information.

NOTE 10: OTHER ASSETS

CURRENT		
Prepayments	48,052	55,468
Accrued income	1,728	159
Other current assets	31,590	12,540
	81,370	68,167

NOTE 11: INTANGIBLE ASSETS

	2023 $	2022 $
Goodwill at cost	770,000	770,000
Accumulated amortisation and impairment	-	-
	770,000	770,000
Trademarks at cost	31,000	31,000
Accumulated amortisation and impairment	(28,001)	(26,301)
	2,999	4,699
Customer relationships at cost	4,400,000	4,400,000
Accumulated amortisation and impairment	(3,850,000)	(3,410,000)
	550,000	990,000
Software at cost	368,180	368,180
Accumulated amortisation and impairment	(301,700)	(259,941)
	66,480	108,239
Total intangible assets	1,389,479	1,872,938

The remaining amortisation period for the customer relationship intangible asset is 1.25 years.

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

	2023 $	2022 $
Goodwill on consolidation		
Opening balance	770,000	770,000
Closing balance	770,000	770,000
Trademarks at cost		
Opening balance	4,699	7,250
Amortisation expense	(1,700)	(2,551)
Closing balance	2,999	4,699
Customer relationships at cost		
Opening balance	990,000	1,430,000
Amortisation expense	(440,000)	(440,000)
Closing balance	550,000	990,000
Software at cost		
Opening balance	108,239	85,628
Additions	-	64,371
Amortisation expense	(41,759)	(41,760)
Closing balance	66,480	108,239

NOTE 12: LEASE ASSETS AND LEASE LIABILITIES

(a) Lease assets

	2023 $	2022 $
Property		
Under lease	2,839,285	2,839,285
Accumulated depreciation	(2,656,870)	(2,179,336)
	182,415	659,949
Computer equipment		
Computer equipment under lease	176,582	176,582
Accumulated depreciation	(42,204)	(6,907)
	134,378	169,675
Total carrying amount of lease assets	316,793	829,624

Reconciliations

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

	2023 $	2022 $
Property		
Opening carrying amount	659,949	1,137,483
Depreciation	(477,534)	(477,534)
Closing carrying amount	182,415	659,949
Computer equipment		
Opening carrying amount	169,675	90,188
Additions	-	176,582
Depreciation	(35,297)	(20,485)
Disposals	-	(76,610)
Closing carrying amount	134,378	169,675

(b) Lease liabilities

	2023 $	2022 $
CURRENT		
Lease liability - property	241,174	655,263
Lease liability - equipment	31,930	25,095
	273,104	680,358
NON CURRENT		
Lease liability - property	10,863	248,478
Lease liability - equipment	112,068	147,556
	122,931	396,034
Total carrying amount of lease liabilities	396,035	1,076,392

NOTE 12: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

(c) Future lease payments

	2023 $	2022 $
- Not later than 1 year	273,104	680,358
- Later than 1 year and not later than 5 years	122,931	396,034
Total future lease payments at the reporting date	396,035	1,076,392

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements at cost	389,598	389,598
Accumulated depreciation	(367,325)	(293,116)
	22,273	96,482
Office equipment at cost	188,407	187,275
Accumulated depreciation	(169,354)	(164,877)
	19,053	22,398
Furniture, fixtures and fittings at cost	25,487	24,998
Accumulated depreciation	(19,285)	(17,591)
	6,202	7,407
Computer equipment at cost	659,001	644,917
Accumulated depreciation	(632,658)	(606,095)
	26,343	38,822
Total property, plant and equipment	73,871	165,109

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Leasehold improvements		
Opening carrying amount	96,482	168,743
Depreciation expense	(74,209)	(72,261)
Closing carrying amount	22,273	96,482
Office equipment		
Opening carrying amount	22,398	26,539
Additions	1,132	-
Depreciation expense	(4,477)	(4,141)
Closing carrying amount	19,053	22,398

NOTE 13: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (Continued)

	2023 $	2022 $
Furniture, fixtures and fittings		
Opening carrying amount	7,407	9,053
Additions	489	-
Depreciation expense	(1,694)	(1,646)
Closing carrying amount	6,202	7,407
Computer equipment		
Opening carrying amount	38,822	65,181
Additions	14,084	4,326
Depreciation expense	(26,563)	(30,685)
Closing carrying amount	26,343	38,822

NOTE 14: PAYABLES

	2023 $	2022 $
CURRENT		
Unsecured liabilities		
Trade creditors	224,106	303,123
Other payables	334,284	194,146
	558,390	497,269

NOTE 15: PROVISIONS

	2023 $	2022 $
CURRENT		
Annual leave	174,221	178,295
Long service leave	102,843	101,067
Other	315,153	7,727
	592,217	287,089
NON CURRENT		
Long service leave	55,264	51,284
Other	-	164,144
	55,264	215,428

	2023 $	2022 $

NOTE 16: CONTRACT LIABILITIES

	2023 $	2022 $
CURRENT		
Unearned income	47,093	15,196

NOTE 17: RESERVES

	2023 $	2022 $
Financial assets at fair value through other comprehensive income reserve	48,750	(12,215)

Available for sale financial asset reserve

The financial assets at fair value through other comprehensive income reserve is used to record changes in the fair value of financial assets classified or designated at fair value through other comprehensive income. The entity has a policy of transferring amounts from this reserve to retained earnings when the relevant equity securities are sold.

NOTE 18: ACCUMULATED SURPLUS

	2023 $	2022 $
Accumulated surplus at beginning of year	9,773,220	11,005,501
Loss for the year	(908,215)	(1,264,007)
Transfers to / (from) reserves	(26,765)	31,726
	8,838,240	9,773,220

NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 $	2022 $
Total compensation paid or payable to key management personnel	799,316	751,592

NOTE 20: REMUNERATION OF AUDITORS

Remuneration of auditors for:

Pitcher Partners

	2023 $	2022 $
Audit and assurance services		
- Audit of the financial report	41,500	39,500

NOTE 21: CONTINGENT LIABILITIES AND ASSETS

At 30 June 2023 the group had bank guarantees outstanding amounting to $332,486 (2022: $332,486) representing security provided under operating leasing and other arrangements. The company had no other contingent liabilities and assets at the reporting date.

NOTE 22: MEMBERS' GUARANTEE

The group is incorporated under the *Corporations Act 2001* and is a group limited by guarantee. If the group is wound up, the Constitution states that each member is required to contribute to a maximum of $2 each towards meeting any outstandings and obligations of the group. At 30 June 2023 the number of members was 10. The combined total amount that members of the group are liable to contribute if the group is wound up is $20.

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2023, of the group, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2023, of the group.

NATIONAL SENIORS AUSTRALIA LIMITED AND CONTROLLED ENTITY
ABN: 89 050 523 003

DIRECTORS' DECLARATION

The directors declare that:

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*.

Director: ______________________

Ross Glossop - Chairperson

Dated this 26th day of October 2023

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

Independent Auditor's Report to the Members of National Seniors Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Seniors Australia Limited "the Registered Entity" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of National Seniors Australia Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
(b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act and such internal control as the directors 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 directors are responsible for assessing the Group'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 directors either intend to liquidate the Group 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 Group 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 the directors 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.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
26 October 2023