

The University of Sunshine Coast Student Guild

ABN 99 377 891 320

Financial Statements

For the Year Ended 31 December 2020

The University of Sunshine Coast Student Guild

ABN 99 377 891 320

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For the Year Ended 31 December 2020

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The University of Sunshine Coast Student Guild

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Revenue		
Grants from USC for provision of services	300,591	308,979
Government grants (COVID-19 related)	115,856	-
Other grants	11,603	7,024
Income from events	9,526	13,559
Wages subsidy	4,500	8,000
Other income	2,279	7,246
Interest income	81	315
Total revenue	444,436	345,123
Expenditure		
Employee benefits expense	291,882	255,198
Event and other activities costs	16,871	26,774
Clubs & Societies expenses	14,697	17,954
Community kitchen expenses	8,564	5,993
Food and other student welfare costs	2,142	5,083
Depreciation expense	1,244	1,255
Fringe benefits tax	-	20,075
Other expenses	21,976	22,387
Finance expenses	96	432
Total expenditure	357,472	355,151
Operating result	86,964	(10,028)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	86,964	(10,028)

The accompanying notes form part of these financial statements.

The University of Sunshine Coast Student Guild

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Statement of Financial Position

As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	209,570	106,342
Trade and other receivables	5	887	5,006
TOTAL CURRENT ASSETS		210,457	111,348
NON-CURRENT ASSETS			
Plant and equipment	6	4,974	6,218
TOTAL NON-CURRENT ASSETS		4,974	6,218
TOTAL ASSETS		215,431	117,566
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	32,949	26,578
Employee benefits	8	23,522	18,992
TOTAL CURRENT LIABILITIES		56,471	45,570
TOTAL LIABILITIES		56,471	45,570
NET ASSETS		158,960	71,996
EQUITY			
Retained earnings		158,960	71,996
TOTAL EQUITY		158,960	71,996

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2020	71,996	71,996
Operating result	86,964	86,964
Balance at 31 December 2020	<u>158,960</u>	<u>158,960</u>

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2019	82,024	82,024
Operating result	(10,028)	(10,028)
Balance at 31 December 2019	<u>71,996</u>	<u>71,996</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	21,606	35,570
Payments to suppliers and employees	(376,768)	(333,344)
Interest received	81	63
Interest paid	-	(432)
Receipt from grants	458,309	316,003
Net cash provided by/(used in) operating activities	10 <u>103,228</u>	<u>17,860</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(1,325)
Net cash provided by/(used in) investing activities	<u>-</u>	<u>(1,325)</u>
Net increase/(decrease) in cash and cash equivalents held	103,228	16,535
Cash and cash equivalents at beginning of year	<u>106,342</u>	<u>89,807</u>
Cash and cash equivalents at end of financial year	4 <u><u>209,570</u></u>	<u><u>106,342</u></u>

The accompanying notes form part of these financial statements.

The University of Sunshine Coast Student Guild

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Notes to the Financial Statements For the Year Ended 31 December 2020

The financial report covers The University of Sunshine Coast Student Guild as an individual entity. The University of Sunshine Coast Student Guild is a not-for-profit body corporate established by the *University of the Sunshine Coast Act 1998*.

The functional and presentation currency of The University of Sunshine Coast Student Guild is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Student Guild is not a reporting entity because there are no users dependent on general purpose financial statements. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, 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*.

The financial statements have been prepared on an accruals basis and are based on historical costs.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Student Guild is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Student Guild: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

The revenue recognition policies for the principal revenue streams of the Student Guild are:

Grants from USC for provision of services

The Student Guild receives funding from the University of the Sunshine Coast based upon an annual funding agreement. This income is recognised when invoiced. Any amount repayable to the university at the end of the financial year is included as a liability rather than revenue. Historically, no repayments of this funding have been required and it is not anticipated that a refund will be required in respect of the current years funding.

Notes to the Financial Statements For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(a) Revenue recognition

Other grants

Other grant revenue is recognised in profit or loss when the Student Guild satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Student Guild is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Other income

Other income is recognised on an accruals basis when the Student Guild is entitled to it.

(b) Income Tax

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

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Plant and equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(g) Trade and other receivables

The Student Guild has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Student Guild 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.

(i) Employee benefits

Provision is made for the Student Guild's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(j) Adoption of new and revised accounting standards

The Student Guild has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Student Guild.

(k) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The responsible persons have decided against early adoption of these Standards, but do not expect the adoption of these standards to have any impact on the reported position or performance of the Student Guild.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Notes to the Financial Statements For the Year Ended 31 December 2020

3 Critical Accounting Estimates and Judgments

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

Grants

For some grants, the determination of whether the contract included sufficiently specific performance obligations was a significant judgement. The determination as to whether any liability to refund amounts existed also required judgement to be exercised.

If these determinations were changed then the revenue recognition pattern would be different from that recognised in these financial statements.

4 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	208,485	105,294
Other cash and cash equivalents	1,085	1,048
	<u>209,570</u>	<u>106,342</u>

5 Trade and other receivables

CURRENT

Trade receivables	887	5,006
	<u>887</u>	<u>5,006</u>

6 Plant and equipment

At cost	7,834	7,834
Accumulated depreciation	(2,860)	(1,616)
Total plant and equipment	<u>4,974</u>	<u>6,218</u>

7 Trade and Other Payables

CURRENT

Deposits	580	420
GST payable	1,812	7,226
Other payables	30,557	18,932
	<u>32,949</u>	<u>26,578</u>

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

The University of Sunshine Coast Student Guild

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Notes to the Financial Statements For the Year Ended 31 December 2020

8 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Provision for annual leave	23,522	18,992
	<u>23,522</u>	<u>18,992</u>

9 Auditors' Remuneration

Remuneration of the auditor Wardle Partners Pty Ltd, for:		
- auditing or reviewing the financial statements	3,385	3,460
Total	<u>3,385</u>	<u>3,460</u>

The charges above relate to audits conducted for the prior years.

10 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

Operating result	86,964	(10,028)
Non-cash flows in profit:		
- depreciation	1,244	1,255
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	4,119	2,127
- increase/(decrease) in trade and other payables	6,371	17,692
- increase/(decrease) in employee benefits	4,530	6,814
Cashflows from operations	<u>103,228</u>	<u>17,860</u>

11 Economic Dependence

The Student Guild is dependent on the University of Sunshine Coast for the majority of its operating revenue. At the date of this report, the responsible persons have no reason to believe the University will not continue to support the Student Guild.

12 Contingencies

In the opinion of those charged with governance, the Student Guild did not have any contingencies at 31 December 2020 (31 December 2019:None).

The University of Sunshine Coast Student Guild

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Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Responsible person
Samuel Chee

Dated:

The University of Sunshine Coast Student Guild

Independent Audit Report to the members of The University of Sunshine Coast Student Guild

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The University of Sunshine Coast Student Guild, which comprises the statement of financial position as at 31 December 2020, 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 responsible persons' declaration.

In our opinion the financial report of The University of Sunshine Coast Student Guild has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, 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 Registered Entity 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.

Emphasis of Matter - 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 Registered Entity's financial reporting responsibilities under the ACNC Act. 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 Responsible Entities for the Financial Report

The responsible persons of the Registered Entity 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 the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities 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 responsible persons are responsible for assessing the Registered 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 the responsible entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The University of Sunshine Coast Student Guild

Independent Audit Report to the members of The University of Sunshine Coast Student Guild

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.

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 our auditor's report.

SAAS Audit Pty Ltd

James Kenward
Director

138 Juliette Street
Greenslopes QLD 4120

Dated: