



**UNIVERSITY OF MELBOURNE
STUDENT UNION
REG No. A0048033A**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



Placeholder for financial statements content, represented by a grid of plus signs (+).

University of Melbourne Student Union

Reg No. A0048033A

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Statement of Profit or Loss For the Year Ended 31 December 2021

	2021	2020
	\$	\$
Income		
Sale of goods	103,985	104,617
Student services and amenities fee funding	8,411,180	6,353,783
Equipment/theatre hire	2,414	50,343
Grants received	71,750	174,345
Interest received	5,054	15,022
Government Covid-19 Stimulus	372,601	1,819,290
Other income	122,144	311,454
	9,089,128	8,828,854
Expenditure		
Depreciation and amortisation expense	107,825	154,907
Consumables and Supplies	35,041	40,926
Employee costs	5,807,699	5,916,486
Grants	149,903	98,223
Equipment hire	22,086	27,311
Administration	94,440	119,900
Marketing	91,554	35,000
Department costs	256,152	265,203
Events	625,529	534,408
Artist fees	33,309	39,647
Sundry expenses	375,933	264,600
	7,599,471	7,496,611
Profit/(loss) before income taxes	1,489,657	1,332,243
Income tax expense	-	-
Profit/(loss) after income tax	1,489,657	1,332,243
Retained profits at the beginning of the financial year	3,299,012	1,974,280
Less transfer to general reserve	13 (2,527)	(7,511)
Retained profits at the end of the financial year	4,786,142	3,299,012

The accompanying notes form part of these financial statements.

University of Melbourne Student Union

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Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	7,164,886	5,047,568
Trade and other receivables	3	2,972	207,494
Inventories	4	5,415	11,590
Prepayments	5	102,461	29,933
TOTAL CURRENT ASSETS		7,275,734	5,296,585
NON-CURRENT ASSETS			
Plant and equipment	7	170,490	270,529
TOTAL NON-CURRENT ASSETS		170,490	270,529
TOTAL ASSETS		7,446,224	5,567,114
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	708,824	423,287
Employee benefits	8	1,029,137	937,221
Other accruals	6	167,503	144,568
Other liabilities	9	17,002	5,500
TOTAL CURRENT LIABILITIES		1,922,466	1,510,576
NON-CURRENT LIABILITIES			
Employee benefits	8	62,440	84,877
TOTAL NON-CURRENT LIABILITIES		62,440	84,877
TOTAL LIABILITIES		1,984,906	1,595,453
NET ASSETS		5,461,318	3,971,661
MEMBERS' FUNDS			
General reserve	13	675,176	672,649
Retained profits		4,786,142	3,299,012
TOTAL MEMBERS' FUNDS		5,461,318	3,971,661

The accompanying notes form part of these financial statements.

University of Melbourne Student Union

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Statement of Changes in Equity For the Year Ended 31 December 2021

2021

	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 January 2021	3,299,012	672,649	3,971,661
Profit attributable to members	1,489,657	-	1,489,657
Transfer to reserves	(2,527)	2,527	-
Balance at 31 December 2021	4,786,142	675,176	5,461,318

2020

	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	1,974,280	665,138	2,639,418
Profit attributable to members	1,332,243	-	1,332,243
Transfer to reserves	(7,511)	7,511	-
Balance at 31 December 2020	3,299,012	672,649	3,971,661

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Other receipts	300,293	451,370
Payments to suppliers and employees	(8,024,188)	(7,877,900)
Student services and amenities fee funding	9,264,950	6,995,211
Interest received	5,054	15,022
Receipts from COVID-19 stimulus	578,995	1,819,290
Net cash provided by/(used in) operating activities	12 <u>2,125,104</u>	<u>1,402,993</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(7,786)</u>	(4,712)
Net cash provided by/(used in) investing activities	<u>(7,786)</u>	(4,712)
Net increase/(decrease) in cash and cash equivalents held	2,117,318	1,398,281
Cash and cash equivalents at beginning of year	<u>5,047,568</u>	<u>3,649,287</u>
Cash and cash equivalents at end of financial year	2 <u><u>7,164,886</u></u>	<u><u>5,047,568</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2021

The financial statements cover University of Melbourne Student Union ("UMSU") as an individual entity. University of Melbourne Student Union is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

Comparatives are consistent with prior years, unless otherwise stated.

In the opinion of the Executive Committee, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Associations Incorporation Reform 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* and AASB 1054 *Australian Additional Disclosures*.

1 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and where performance obligations exist, those performance obligations have been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

(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) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Notes to the Financial Statements For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(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.

(g) Employee benefits

Provision is made for the Association'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. Changes in the measurement of the liability are recognised in profit or loss.

2 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash on hand	7,680	5,192
Cash at bank - cheque account	5,305,672	3,195,507
Cash at bank - short-term deposit	1,851,534	1,846,869
	<u>7,164,886</u>	<u>5,047,568</u>

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Notes to the Financial Statements For the Year Ended 31 December 2021

3 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	2,972	18,704
Other receivables	-	188,790
Total current trade and other receivables	2,972	207,494

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

4 Inventories

CURRENT		
At cost:		
Finished goods	5,415	11,590

5 Other Assets

CURRENT		
Prepayments	102,461	29,933

6 Trade and Other Payables

Current		
Trade payables	-	12,521
GST payable	140,264	100,955
Sundry payables and accrued expenses	167,503	144,568
Deposits	955	-
Payroll liabilities	567,605	309,812
	876,327	567,856

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.

Notes to the Financial Statements
For the Year Ended 31 December 2021

7 Property, plant and equipment

	2021	2020
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	2,894	2,894
Accumulated depreciation	(2,894)	(2,894)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Office equipment		
At cost	238,093	238,093
Accumulated depreciation	(197,187)	(163,292)
Total office equipment	<u>40,906</u>	<u>74,801</u>
Books		
At cost	117,846	110,061
Accumulated depreciation	(105,210)	(85,248)
Total Books	<u>12,636</u>	<u>24,813</u>
Arts Collection		
At cost	62,075	62,075
Total Arts Collection	<u>62,075</u>	<u>62,075</u>
Theatre Equipment		
At cost	288,517	288,517
Accumulated depreciation	(233,643)	(179,676)
Total Theatre Equipment	<u>54,874</u>	<u>108,841</u>
Total property, plant and equipment	<u><u>170,491</u></u>	<u><u>270,530</u></u>

8 Employee Benefits

Current liabilities		
Long service leave	487,132	401,857
Annual leave	539,826	530,127
Time off in lieu	2,179	5,237
	<u>1,029,137</u>	<u>937,221</u>
Non-current liabilities		
Long service leave	62,440	84,877
	<u>62,440</u>	<u>84,877</u>

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Notes to the Financial Statements For the Year Ended 31 December 2021

9 Other Liabilities

	2021	2020
	\$	\$
CURRENT		
Income in advance	17,002	5,500

10 Economic Dependence

The Association is economically dependent on continued funding from The University of Melbourne. In 2021 Student Services and Amenities Fee Funding received from The University of Melbourne was 92.54% (2020: 71.97%) of its income.

11 Going Concern

In October 2011, legislation was passed to allow Universities and other higher education providers to charge a compulsory Student Services and Amenities Fee (SSAF) from 2012 (see the Higher Education Legislation Amendment (Student Services and Amenities) Act 2011). The University of Melbourne has introduced a compulsory Student Services and Amenities Fee and has entered into a five year funding agreement with UMSU based on the collection of SSA Fees. The financial statements of the Association have been prepared on the going concern basis given that the Association will continue to receive funding from the University of Melbourne in 2022.

12 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:		
Profit/(loss) for the year	1,489,657	1,332,243
Non-cash flows in profit/(loss):		
- depreciation	107,825	154,907
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	229,330	(189,389)
- (increase)/decrease in prepayments	(72,528)	1,227
- (increase)/decrease in inventories	6,175	(5,063)
- increase/(decrease) in income in advance	11,502	5,500
- increase/(decrease) in trade and other payables	283,664	(87,815)
- increase/(decrease) in provisions	69,479	191,383
Cashflows from operations	<u>2,125,104</u>	<u>1,402,993</u>

13 Reserves

The general reserve represents the interest income of the Association, on its cash reserves, being monies invested in short-term deposits during the year, as required under the amended Section 19.3 of the Association's Financial Regulations.

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Statement by the Executive Committee

The Executive Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Executive Committee the financial report as set out on pages 1 to 9:

1. Presents a true and fair view of the financial position of University of Melbourne Student Union as at 31 December 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that University of Melbourne Student Union will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:

President

Sophie Nguyen

General Secretary

Millie Macwhirter

Dated 28 February 2022

University of Melbourne Student Union

Independent Audit Report to the members of University of Melbourne Student Union

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of University of Melbourne Student Union, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss, 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, including a summary of significant accounting policies, and the statement by the Executive Committee.

In our opinion, the accompanying financial report of the Association for the year ended 31 December 2021 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

- (i) giving a true and fair view of the Association's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and 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 Association in accordance with the auditor independence requirements of 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in meeting its obligations under the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Reform Act 2012, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Independent Audit Report to the members of University of Melbourne Student Union

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 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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 Association'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 reporter, 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 Association 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 management 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.



ACCRU MELBOURNE (AUDIT) PTY LTD



C J FLYNN
Director

Dated 28 February 2022