



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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2022**



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# University of Melbourne Student Union

Reg No. A0048033A

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For the Year Ended 31 December 2022

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# University of Melbourne Student Union

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## Statement of Profit or Loss For the Year Ended 31 December 2022

	2022	2021
	\$	\$
<b>Income</b>		
Sale of goods	382,552	103,985
Student services and amenities fee funding	7,105,100	8,411,180
Equipment/theatre hire	53,867	2,414
Grants received	26,281	71,750
Interest received	24,133	5,054
Government Covid-19 Stimulus	-	372,601
Other income	215,818	122,144
	<b>7,807,751</b>	<b>9,089,128</b>
<b>Expenditure</b>		
Depreciation and amortisation expense	86,739	107,825
Orientation expenses	133,650	100,723
Consumables and Supplies	101,421	35,041
Employee costs	5,779,241	5,807,699
Grants	209,389	149,903
Equipment hire	47,667	22,086
Administration	123,097	94,440
Marketing	51,156	91,554
Department costs	502,511	256,152
Events	634,408	625,529
Artist fees	51,557	33,309
Sundry expenses	473,589	275,210
	<b>8,194,425</b>	<b>7,599,471</b>
Profit/(loss) before income taxes	<b>(386,674)</b>	1,489,657
Income tax expense	-	-
Profit/(loss) after income tax	<b>(386,674)</b>	1,489,657

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 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	6,461,934	7,164,886
Trade and other receivables	3	9,347	2,972
Inventories	4	6,763	5,415
Prepayments	5	150,606	102,461
<b>TOTAL CURRENT ASSETS</b>		<b>6,628,650</b>	<b>7,275,734</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	124,080	170,490
<b>TOTAL NON-CURRENT ASSETS</b>		<b>124,080</b>	<b>170,490</b>
<b>TOTAL ASSETS</b>		<b>6,752,730</b>	<b>7,446,224</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	419,292	708,824
Employee benefits	8	1,069,899	1,029,137
Other accruals	6	113,624	167,503
Other liabilities	9	23,750	17,002
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,626,565</b>	<b>1,922,466</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	8	51,521	62,440
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>51,521</b>	<b>62,440</b>
<b>TOTAL LIABILITIES</b>		<b>1,678,086</b>	<b>1,984,906</b>
<b>NET ASSETS</b>		<b>5,074,644</b>	<b>5,461,318</b>
<b>MEMBERS' FUNDS</b>			
General reserve	13	685,415	675,176
Retained profits		4,389,229	4,786,142
<b>TOTAL MEMBERS' FUNDS</b>		<b>5,074,644</b>	<b>5,461,318</b>

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 2022

2022

	Retained Earnings	General Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2022</b>	<b>4,786,142</b>	<b>675,176</b>	<b>5,461,318</b>
Profit/(loss) attributable to members	(386,674)	-	(386,674)
Transfer to reserves	(10,239)	10,239	-
<b>Balance at 31 December 2022</b>	<b>4,389,229</b>	<b>685,415</b>	<b>5,074,644</b>

2021

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

The accompanying notes form part of these financial statements.

# University of Melbourne Student Union

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## Statement of Cash Flows For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Other receipts	633,658	300,293
Payments to suppliers and employees	(9,238,415)	(8,024,188)
Student services and amenities fee funding	7,823,033	9,264,950
Interest received	24,133	5,054
Receipt from grants	26,281	-
Receipts from COVID-19 stimulus	-	578,995
Net cash provided by/(used in) operating activities	12 <u>(731,310)</u>	<u>2,125,104</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	69,232	-
Purchase of property, plant and equipment	(40,874)	(7,786)
Net cash provided by/(used in) investing activities	<u>28,358</u>	<u>(7,786)</u>
Net increase/(decrease) in cash and cash equivalents held	(702,952)	2,117,318
Cash and cash equivalents at beginning of year	<u>7,164,886</u>	<u>5,047,568</u>
Cash and cash equivalents at end of financial year	2 <u><u>6,461,934</u></u>	<u><u>7,164,886</u></u>

The accompanying notes form part of these financial statements.

# University of Melbourne Student Union

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## Notes to the Financial Statements For the Year Ended 31 December 2022

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 2022

### 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

	2022	2021
	\$	\$
Cash on hand	4,568	7,680
Cash at bank - cheque account	4,600,650	5,305,672
Cash at bank - short-term deposit	1,856,716	1,851,534
	<u>6,461,934</u>	<u>7,164,886</u>



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## Notes to the Financial Statements For the Year Ended 31 December 2022

### 3 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	9,179	2,972
Other receivables	168	-
<b>Total current trade and other receivables</b>	<b>9,347</b>	<b>2,972</b>

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	6,763	5,415

### 5 Other Assets

CURRENT		
Prepayments	150,606	102,461

### 6 Trade and Other Payables

Current		
Trade payables	51,577	-
GST payable	93,081	140,264
Sundry payables and accrued expenses	113,624	167,503
Deposits	-	955
Payroll liabilities	274,634	567,605
	<b>532,916</b>	<b>876,327</b>

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 2022**

**7 Property, plant and equipment**

	2022	2021
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	31,514	2,894
Accumulated depreciation	(6,442)	(2,894)
<b>Total furniture, fixtures and fittings</b>	<b>25,072</b>	<b>-</b>
Office equipment		
At cost	222,773	238,093
Accumulated depreciation	(212,300)	(197,187)
<b>Total office equipment</b>	<b>10,473</b>	<b>40,906</b>
Books		
At cost	130,100	117,846
Accumulated depreciation	(115,685)	(105,210)
<b>Total Books</b>	<b>14,415</b>	<b>12,636</b>
Arts Collection		
At cost	62,075	62,075
<b>Total Arts Collection</b>	<b>62,075</b>	<b>62,075</b>
Theatre Equipment		
At cost	227,843	288,517
Accumulated depreciation	(215,798)	(233,643)
<b>Total Theatre Equipment</b>	<b>12,045</b>	<b>54,874</b>
<b>Total property, plant and equipment</b>	<b>124,080</b>	<b>170,491</b>

**8 Employee Benefits**

Current liabilities		
Long service leave	496,895	487,132
Annual leave	553,809	539,826
Time off in lieu	19,195	2,179
	<b>1,069,899</b>	<b>1,029,137</b>
Non-current liabilities		
Long service leave	51,521	62,440
	<b>51,521</b>	<b>62,440</b>

# University of Melbourne Student Union

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## Notes to the Financial Statements For the Year Ended 31 December 2022

### 9 Other Liabilities

	2022	2021
	\$	\$
CURRENT		
Income in advance	<u>23,750</u>	17,002

### 10 Economic Dependence

The Association is economically dependent on continued funding from The University of Melbourne. In 2022 Student Services and Amenities Fee Funding received from The University of Melbourne was 91.00% (2021: 92.54%) of its income.

#### Contingent Liabilities

In the opinion of the Committee Members, the Association does have a contingent liability as at 31 December 2022 comprised of legal fees relating to a open legal case with a member of the Association, with the amount not expected to be significant. (31 December 2021: None).

### 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 three 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 2023.

### 12 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:		
Profit/(loss) for the year	(386,674)	1,489,657
Non-cash flows in profit/(loss):		
- depreciation	86,739	107,825
- net gain on disposal of property, plant and equipment	(68,687)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(8,247)	229,330
- (increase)/decrease in prepayments	(48,145)	(72,528)
- (increase)/decrease in inventories	(1,348)	6,175
- increase/(decrease) in income in advance	6,748	11,502
- increase/(decrease) in trade and other payables	(341,539)	283,664
- increase/(decrease) in provisions	29,843	69,479
Cashflows from operations	<u>(731,310)</u>	<u>2,125,104</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.

# University of Melbourne Student Union

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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 2022 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 .....  
  
Hibatallah Adam

General Secretary .....  
  
Disha Zutshi

Dated 10 March 2023

## 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 2022, 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 2022 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 2022 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.

## University of Melbourne Student Union

# 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 10 March 2023