

James Cook University Student Association

ABN: 96 799 820 080

Financial Statements

For the Year Ended 31 December 2021

James Cook University Student Association

ABN: 96 799 820 080

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Revenue	3	2,049,703	2,016,572
Cost of sales		(3,718)	(7,894)
Employee benefits expense		(1,362,691)	(1,480,655)
Depreciation and amortisation expense		(34,092)	(35,099)
Clubs and societies grants		(21,865)	(21,625)
Other operating expenses	4	(573,110)	(398,737)
Finance costs		(1,063)	(1,643)
Surplus before income tax		53,164	70,919
Income tax expense		-	-
Surplus after income tax for the year		53,164	70,919
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		53,164	70,919

Statement of Financial Position**As At 31 December 2021**

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,592,795	1,349,865
Trade and other receivables	6	6,468	1,372
Inventories		387	541
Other financial assets	7	10,890	10,890
Other assets	8	50,834	81,664
TOTAL CURRENT ASSETS		<u>1,661,374</u>	<u>1,444,332</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	42,605	76,697
TOTAL NON-CURRENT ASSETS		<u>42,605</u>	<u>76,697</u>
TOTAL ASSETS		<u>1,703,979</u>	<u>1,521,029</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	273,943	123,254
Lease liability	11	34,819	34,229
Employee benefits	12	144,837	136,030
TOTAL CURRENT LIABILITIES		<u>453,599</u>	<u>293,513</u>
NON-CURRENT LIABILITIES			
Lease liability	11	8,798	43,617
Employee benefits	12	52,997	48,478
TOTAL NON-CURRENT LIABILITIES		<u>61,795</u>	<u>92,095</u>
TOTAL LIABILITIES		<u>515,394</u>	<u>385,608</u>
NET ASSETS		<u>1,188,585</u>	<u>1,135,421</u>
EQUITY			
Retained surplus		<u>1,188,585</u>	<u>1,135,421</u>
TOTAL EQUITY		<u>1,188,585</u>	<u>1,135,421</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2021

2021

	Retained Surplus	Total
	\$	\$
Balance at 1 January 2021	1,135,421	1,135,421
Total comprehensive income for the year	53,164	53,164
Balance at 31 December 2021	1,188,585	1,188,585

2020

	Retained Surplus	Total
	\$	\$
Balance at 1 January 2020	1,064,502	1,064,502
Total comprehensive income for the year	70,919	70,919
Balance at 31 December 2020	1,135,421	1,135,421

Statement of Cash Flows
For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,197,673	1,915,626
Payments to suppliers and employees	(1,923,853)	(1,858,666)
Interest received	4,402	9,747
Finance costs	(1,063)	(1,643)
Net cash provided by/(used in) operating activities	277,159	65,064
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of lease liability	(34,229)	(33,649)
Net cash used by financing activities	(34,229)	(33,649)
Net increase/(decrease) in cash and cash equivalents held	242,930	31,415
Cash and cash equivalents at beginning of year	1,349,865	1,318,450
Cash and cash equivalents at end of financial year	5 1,592,795	1,349,865

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and interpretations issued by the Australian Accounting Standards Boards (AASB), the *Australian Charities and Not-for-Profits Commission Act 2012* and the *James Cook University Act 1997*. James Cook University Student Association is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies.

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. Details of all significant estimates and judgements are included in the accounting policies listed below.

2 Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which James Cook University Student Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: 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.

Sale of goods

Sales revenue is recognised when received or receivable.

Grant revenue

Grant revenue is recognised in profit or loss when James Cook University Student Association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before James Cook University Student Association 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 when it is received or when the right to receive payment is established.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Significant Accounting Policies

(b) 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. Deposits with maturity dates greater than three months are considered investments.

On initial recognition, investments are measured at fair value plus transaction costs and subsequently measured at amortised cost in accordance with *AASB 9 Financial Instruments*.

(c) Leases

Right-of-use asset

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

(d) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Significant Accounting Policies

(e) 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. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(f) 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.

(g) Adoption of new and revised accounting standards

The Association has early adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* which will become mandatory in future reporting periods. As part of early transition to this new standard, the entity is provided relief from restating comparative information in these financial statements. Adoption of this standard has not caused any material adjustments to the financial statements.

(h) Income Tax

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Sales and Other Revenue

	2021 \$	2020 \$
Sales Revenue		
- Gym revenue	307,537	219,243
- Other sales revenue	9,158	9,120
Total Sales Revenue	316,695	228,363
Other Revenue		
- SSAF Funding	1,316,050	830,691
- Membership fees	21,069	28,865
- Interest	4,402	9,747
- FMO Contribution	15,600	15,600
- Sporting fixtures	77,432	38,363
- Jobkeeper subsidy	119,650	636,600
- ATO Cash Flow Boost	-	100,000
- Other revenue	178,805	128,343
Total Other Revenue	1,733,008	1,788,209
Total Revenue	2,049,703	2,016,572

4 Other Expenses

	2021 \$	2020 \$
Insurance	34,304	35,249
Lease expenses	7,749	7,188
Motor vehicle expenses	9,838	9,692
Permits, licenses and fees	20,972	14,914
Rent	63,975	43,205
Repairs and maintenance	5,045	3,651
Sporting facility expenses	111,277	39,392
Travel - domestic	33,862	8,254
O-week expenses	28,434	17,422
Utilities	64,019	53,045
Sundry expenses	193,635	166,725
Total other expenses	573,110	398,737

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank	1,590,843	1,348,165
Cash on hand	1,952	1,700
Total cash and cash equivalents	1,592,795	1,349,865

6 Trade and other receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	11,395	6,299
Provision for impairment	(4,927)	(4,927)
Total current trade and other receivables	6,468	1,372

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses, in accordance with *AASB 9 Financial Instruments*.

7 Other Financial Assets

	2021	2020
	\$	\$
CURRENT		
Financial assets at fair value through profit or loss	10,890	10,890
Total other financial assets	10,890	10,890

8 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	38,427	24,074
Accrued income	12,407	57,590
Total other assets	50,834	81,664

Notes to the Financial Statements

For the Year Ended 31 December 2021

9 Property, plant and equipment

	2021 \$	2020 \$
RIGHT-OF-USE ASSET		
At cost	136,358	136,358
Accumulated amortisation	(93,753)	(59,661)
Total right-of-use asset	42,605	76,697
PLANT AND EQUIPMENT		
At cost	458,795	458,795
Accumulated depreciation	(458,795)	(458,795)
Total plant and equipment	-	-
Total property, plant and equipment	42,605	76,697

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Right-of-use Asset \$	Plant and Equipment \$	Total \$
Year ended 31 December 2021			
Balance at the beginning of the year	76,697	-	76,697
Amortisation expense	(34,092)	-	(34,092)
Balance at the end of the year	42,605	-	42,605

10 Trade and Other Payables

	2021 \$	2020 \$
CURRENT		
Trade payables	21,811	4,643
Accruals and other payables	51,622	49,522
GST & PAYG payable	18,899	15,190
Prepaid Gym Memberships	1,263	-
Prepaid Income	26,066	16,609
Prepaid SSAF Income	154,282	37,290
Total trade and other payables	273,943	123,254

Notes to the Financial Statements

For the Year Ended 31 December 2021

11 Lease liability

	2021 \$	2020 \$
CURRENT		
Lease liability	34,819	34,229
Total current lease liability	34,819	34,229
NON-CURRENT		
Lease liability	8,798	43,617
Total non-current lease liability	8,798	43,617

(a) Lease liability maturity analysis of future lease cash flows

	< 1 year	1-5 years	> 5 years
Gym Equipment	35,292.12	8,823.03	-

12 Employee Benefits

	2021 \$	2020 \$
CURRENT		
Annual Leave	110,594	94,122
TOIL	1,964	2,395
Long Service Leave	32,279	39,513
Total current employee benefits	144,837	136,030
NON-CURRENT		
Long service leave	52,997	48,478
Total non-current employee benefits	52,997	48,478

13 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of James Cook University Student Association during the year are as follows:

	2021 \$	2020 \$
Key management personnel remuneration	164,574	157,090

James Cook University Student Association

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Notes to the Financial Statements

For the Year Ended 31 December 2021

14 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor Crowe Audit Australia, for:		
- auditing the financial statements	10,400	10,000

15 Related Parties

The Association is governed by the *James Cook University Act 1997*, and, as such, the services provided by the Association are in accordance with the requirements of the University.

Key management personnel - refer to Note 13.

(a) Related Party Transactions

			Balance outstanding	
	Purchases	Contribution for Goods & Services	Owed to JCU Student Association	Owed by JCU Student Association
Associates				
James Cook University	198,658	36,852	-	18,731

The Association's key funding arrangement is with James Cook University (JCU). JCU has provided \$1,454,807 in 2021 to fund the Association's operating expenditure for the 2021 year.

16 Contingencies and commitments

In the opinion of the Council, the Association did not have any contingencies or commitments at 31 December 2021 (31 December 2020: Nil).

17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

James Cook University Student Association

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Statement by Members of Council

The Council of James Cook University Student Association declare that:

1. The financial statements and notes, as set out on pages 1 to 12, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and *James Cook University Act 1997* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of James Cook University Student Association.
2. In the Council's opinion, there are reasonable grounds to believe that the James Cook University Student Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Council.

President

ts herington

Dated this16th..... day ofMarch..... 2022.

Independent Auditor's Report to the Members of James Cook University Student Association

Opinion

We have audited the financial report of James Cook University Student Association (the Association), which comprises the statement of financial position as at 31 December 2021, 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 directors' declaration.

In our opinion, the accompanying financial report of the Association 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 Association's financial position as at 31 December 2021 and of its financial performance and cash flows 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 Association in accordance with the ethical requirements of the Accounting Professional & 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.

Responsibilities of the Council for the Financial Report

The Council is 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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the 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 Council is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

to the Members of James Cook University Student Association (cont.)

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

CROWE AUDIT AUSTRALIA



Tracey Mayhew

Associate Partner

Townsville, 16 / 03 / 2022.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.