

James Cook University Student Association

ABN: 96 799 820 080

Financial Statements

For the Year Ended 31 December 2022

James Cook University Student Association

ABN: 96 799 820 080

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For the Year Ended 31 December 2022

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

		2022	2021
	Note	\$	\$
Revenue	3	2,000,819	2,049,703
Cost of sales		(5,816)	(3,718)
Employee benefits expense		(1,467,980)	(1,362,691)
Depreciation and amortisation expense		(47,366)	(34,092)
Clubs and societies grants		(25,121)	(21,865)
Other operating expenses	4	(499,378)	(573,110)
Finance costs		(1,143)	(1,063)
Surplus/(loss) before income tax		(45,985)	53,164
Income tax expense		-	-
Surplus/(loss) after income tax for the year		(45,985)	53,164
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		(45,985)	53,164

The accompanying notes form part of these financial statements.

Statement of Financial Position**As At 31 December 2022**

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,473,343	1,592,795
Trade and other receivables	6	305	6,468
Inventories		758	387
Other financial assets	7	10,890	10,890
Other assets	8	53,146	50,834
TOTAL CURRENT ASSETS		<u>1,538,442</u>	<u>1,661,374</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	30,711	42,605
TOTAL NON-CURRENT ASSETS		<u>30,711</u>	<u>42,605</u>
TOTAL ASSETS		<u><u>1,569,153</u></u>	<u><u>1,703,979</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	187,576	273,943
Lease liability	11	21,288	34,819
Employee benefits	13	138,116	144,837
TOTAL CURRENT LIABILITIES		<u>346,980</u>	<u>453,599</u>
NON-CURRENT LIABILITIES			
Lease liability	11	12,819	8,798
Employee benefits	13	66,754	52,997
TOTAL NON-CURRENT LIABILITIES		<u>79,573</u>	<u>61,795</u>
TOTAL LIABILITIES		<u>426,553</u>	<u>515,394</u>
NET ASSETS		<u><u>1,142,600</u></u>	<u><u>1,188,585</u></u>
EQUITY			
Retained surplus		<u>1,142,600</u>	<u>1,188,585</u>
TOTAL EQUITY		<u><u>1,142,600</u></u>	<u><u>1,188,585</u></u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2022

2022

	Retained Surplus \$	Total \$
Balance at 1 January 2022	1,188,585	1,188,585
Loss for the year	(45,985)	(45,985)
Balance at 31 December 2022	1,142,600	1,142,600

2021

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

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,871,754	2,197,673
Payments to suppliers and employees	(1,951,320)	(1,923,853)
Interest received	6,239	4,402
Finance costs	(1,143)	(1,063)
Net cash provided by/(used in) operating activities	17 (74,470)	277,159
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of lease liability	(44,982)	(34,229)
Net cash provided by/(used in) financing activities	(44,982)	(34,229)
Net increase/(decrease) in cash and cash equivalents held	(119,452)	242,930
Cash and cash equivalents at beginning of year	1,592,795	1,349,865
Cash and cash equivalents at end of financial year	5 1,473,343	1,592,795

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2022

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), and 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.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 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 2022

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

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(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 2022

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) Income Tax

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

3 Sales and Other Revenue

	2022	2021
	\$	\$
Sales Revenue		
- Gym revenue	375,826	307,537
- Other sales revenue	3,877	9,158
Total Sales Revenue	379,703	316,695
Other Revenue		
- SSAF Funding	1,292,391	1,316,050
- Membership fees	16,564	21,069
- Interest	6,239	4,402
- FMO Contribution	15,600	15,600
- Sporting fixtures	74,465	77,432
- Job keeper subsidy	-	119,650
- Other revenues	215,857	178,805
Total Other Revenue	1,621,116	1,733,008
Total sales and other revenue	2,000,819	2,049,703

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Other Expenses

	2022	2021
	\$	\$
Insurance	33,571	34,304
Lease expenses	6,963	7,749
Motor vehicle expenses	10,337	9,838
Permits, licenses and fees	23,213	20,972
Rent	62,990	63,975
Repairs and maintenance	1,489	5,045
Sporting facility expenses	63,081	111,277
Travel - domestic	42,451	33,862
O-week expense	12,616	28,434
Utilities	66,863	64,019
Sundry expenses	175,804	193,635
Total other expenses	499,378	573,110

5 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank	1,471,253	1,590,843
Cash on hand	2,090	1,952
Total cash and cash equivalents	1,473,343	1,592,795

6 Trade and other receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	4,797	11,395
Provision for impairment	(4,492)	(4,927)
Total current trade and other receivables	305	6,468

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

	2022	2021
	\$	\$
CURRENT		
Financial assets at fair value through profit or loss	10,890	10,890
Total other financial assets	10,890	10,890

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	37,366	38,427
Accrued income	15,780	12,407
Total other assets	53,146	50,834

9 Property, plant and equipment

	2022	2021
	\$	\$
RIGHT-OF-USE ASSET		
At cost	171,830	136,358
Accumulated amortisation	(141,119)	(93,753)
Total right-of-use asset	30,711	42,605
PLANT AND EQUIPMENT		
At cost	458,795	458,795
Accumulated depreciation	(458,795)	(458,795)
Total plant and equipment	-	-
Total property, plant and equipment	30,711	42,605

(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 2022			
Balance at the beginning of year	42,605	-	42,605
Additions	35,472	-	35,472
Amortization expense	(47,366)	-	(47,366)
Balance at the end of the year	30,711	-	30,711

Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	3,016	21,811
Accruals and other payables	71,306	51,622
GST & PAYG payable	34,310	18,899
Prepaid gym memberships	5,751	1,263
Accrued wages payable	32,625	-
Prepaid income	25,444	26,066
Prepaid SSAF income	15,124	154,282
Total trade and other payables	187,576	273,943

11 Lease liability

	2022	2021
	\$	\$
CURRENT		
Lease liability	21,288	34,819
Total current lease liability	21,288	34,819
NON-CURRENT		
Lease liability	12,819	8,798
Total non-current lease liability	12,819	8,798

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

2022	< 1 year	1-5 years	> 5 years
Gym Equipment	21,823.00	13,000.00	-

12 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:

	2022	2021
	\$	\$
Key management personnel remuneration	149,839	164,574

Notes to the Financial Statements

For the Year Ended 31 December 2022

13 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Annual Leave	101,359	110,594
TOIL	578	1,964
Long Service Leave	36,179	32,279
Total current employee benefits	138,116	144,837
NON-CURRENT		
Long service leave	66,754	52,997
Total non-current employee benefits	66,754	52,997

14 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 12.

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

The Association's key funding arrangement is with James Cook University (JCU). JCU has provided Student and Services Amenities Fee (SSAF) Funding for the Association's operating expenditure for the year.

				Balance outstanding	
	Purchases	Contribution for Goods and Services	SSAF Funding	Owed to the association	Owed by the association
	\$	\$	\$	\$	\$
Associates					
2022					
James Cook University	189,423	31,588	1,307,516	3,315	903
2021					
James Cook University	198,658	36,852	1,454,807	-	18,731

Notes to the Financial Statements

For the Year Ended 31 December 2022

15 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor Crowe Audit Australia, for:		
- auditing or reviewing the financial statements	11,000	10,400

16 Contingencies and commitments

In the opinion of the Council, the Association did not have any contingencies or commitments at 31 December 2022 (31 December 2021: Nil).

17 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

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

	2022	2021
	\$	\$
Profit/(loss) for the year	(45,985)	53,164
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	47,366	34,092
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	6,162	(5,095)
- (increase)/decrease in other assets	1,062	(14,353)
- (increase)/decrease in inventories	(371)	153
- increase/(decrease) in trade and other payables	39,248	38,405
- increase/(decrease) in other liability	(128,989)	157,467
- increase/(decrease) in employee benefits	7,037	13,326
Cashflows from operations	(74,470)	277,159

18 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.

19 Statutory Information

The registered office and principal place of business of the association is:

James Cook University Student Association

PO Box 1

JAMES COOK UNIVERSITY, DOUGLAS, QLD 4811

James Cook University Student Association

ABN: 96 799 820 080

Statement by Members of Council

The Council of the 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 2022 and of the performance for the year ended on that date of the Association.
- 2. In the Council's opinion, there are reasonable grounds to believe that the 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.

Amie Hewlett-Parker
President

Dated 05/04/2023

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 2022, 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 2022 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 Council 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 Council 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, .05/04/2023