

James Cook University Student Association

ABN: 96 799 820 080

Financial Statements

For the Year Ended 31 December 2020

James Cook University Student Association

ABN: 96 799 820 080

Contents

For the Year Ended 31 December 2020

	Page
Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Statement by Members of Council	13
Independent Audit Report	14

James Cook University Student Association

ABN: 96 799 820 080

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

		2020	2019
	Note	\$	\$
Revenue	3	2,016,572	2,016,754
Cost of Sales		(7,894)	(2,255)
Employee benefits expense		(1,480,655)	(1,196,874)
Depreciation and amortisation expense		(35,099)	(36,574)
Clubs and Societies Grants		(21,625)	(61,248)
Other operating expenses	4	(398,737)	(576,542)
Finance costs		(1,643)	(1,606)
Surplus before income tax		70,919	141,655
Income tax expense		-	-
Surplus after income tax for the year		70,919	141,655
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		70,919	141,655

The accompanying notes form part of these financial statements.

James Cook University Student Association

ABN: 96 799 820 080

Statement of Financial Position As At 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,349,865	1,318,450
Trade and other receivables	6	1,372	9,703
Inventories		540	662
Other financial assets	7	10,890	10,890
Other assets	8	81,664	40,370
TOTAL CURRENT ASSETS		<u>1,444,331</u>	<u>1,380,075</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	76,698	111,797
TOTAL NON-CURRENT ASSETS		<u>76,698</u>	<u>111,797</u>
TOTAL ASSETS		<u>1,521,029</u>	<u>1,491,872</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	123,254	184,221
Lease liability	11	34,229	33,539
Employee benefits	12	136,030	91,058
TOTAL CURRENT LIABILITIES		<u>293,513</u>	<u>308,818</u>
NON-CURRENT LIABILITIES			
Lease liability	11	43,617	77,957
Employee benefits	12	48,478	40,595
TOTAL NON-CURRENT LIABILITIES		<u>92,095</u>	<u>118,552</u>
TOTAL LIABILITIES		<u>385,608</u>	<u>427,370</u>
NET ASSETS		<u>1,135,421</u>	<u>1,064,502</u>
EQUITY			
Retained surplus		<u>1,135,421</u>	<u>1,064,502</u>
TOTAL EQUITY		<u>1,135,421</u>	<u>1,064,502</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2020

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

2019

	Retained Surplus	Total
	\$	\$
Balance at 1 January 2019	922,847	922,847
Total comprehensive income for the year	141,655	141,655
Balance at 31 December 2019	1,064,502	1,064,502

James Cook University Student Association

ABN: 96 799 820 080

Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,915,626	2,025,412
Payments to suppliers and employees	(1,858,666)	(1,804,414)
Interest received	9,747	16,791
Finance costs	(1,643)	(1,606)
Net cash provided by/(used in) operating activities	<u>65,064</u>	<u>236,183</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from maturity of long-term investment	-	100,000
Reduction of lease liability	(33,649)	(24,863)
Net cash used by financing activities	<u>(33,649)</u>	<u>75,137</u>
Net increase/(decrease) in cash and cash equivalents held	31,415	311,320
Cash and cash equivalents at beginning of year	1,318,450	1,007,130
Cash and cash equivalents at end of financial year	5 <u>1,349,865</u>	<u>1,318,450</u>

The accompanying notes form part of these financial statements.

James Cook University Student Association

ABN: 96 799 820 080

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

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements 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 2020

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 James Cook University Student Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the James Cook University Student 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 James Cook University Student 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 James Cook University Student 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 James Cook University Student 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 James Cook University Student 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 2020

2 Significant Accounting Policies

(e) Employee benefits

Provision is made for the James Cook University Student 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 James Cook University Student Association 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 James Cook University Student Association.

(h) Income Tax

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

James Cook University Student Association

ABN: 96 799 820 080

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

3 Sales and Other Revenue

	2020	2019
	\$	\$
Sales Revenue		
- Gym revenue	219,243	393,189
- Other sales revenue	9,120	9,193
Total Sales Revenue	228,363	402,382
Other Revenue		
- SSAF Funding	830,691	1,235,050
- Membership Fees	28,865	34,641
- Interest	9,747	16,791
- FMO Contribution	15,600	15,600
- Sporting fixtures	38,363	76,296
- Jobkeeper Subsidy	636,600	-
- ATO Cash Flow Boost	100,000	-
- Other revenue	128,343	235,995
Total Other Revenue	1,788,209	1,614,372
Total Revenue	2,016,572	2,016,754

4 Other Expenses

	2020	2019
	\$	\$
Insurance	35,249	33,528
Lease expenses	7,188	16,703
Motor vehicle expenses	9,692	9,729
Permits, licenses and fees	14,914	17,053
Rent	43,205	63,895
Repairs and maintenance	3,651	5,645
Sporting facility expenses	39,392	99,511
Travel - domestic	8,254	18,443
O-Week Expenses	17,422	38,432
Utilities	53,045	77,796
Sundry expenses	166,725	195,806
Total other expenses	398,737	576,542

James Cook University Student Association

ABN: 96 799 820 080

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

5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	1,348,165	1,316,800
Cash on hand	1,700	1,650
Total cash and cash equivalents	1,349,865	1,318,450

6 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	6,299	14,630
Provision for impairment	(4,927)	(4,927)
	1,372	9,703
Total current trade and other receivables	1,372	9,703

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

	2020	2019
	\$	\$
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

	2020	2019
	\$	\$
CURRENT		
Prepayments	24,074	35,688
Accrued income	57,590	4,682
Total other assets	81,664	40,370

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

9 Property, plant and equipment

	2020	2019
	\$	\$
RIGHT-OF-USE ASSET		
At Cost	136,358	136,358
Accumulated amortisation	(59,660)	(25,569)
Total right-of-use asset	76,698	110,789
PLANT AND EQUIPMENT		
At cost	458,795	458,795
Accumulated depreciation	(458,795)	(457,787)
Total plant and equipment	-	1,008
Total property, plant and equipment	76,698	111,797

(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 2020			
Balance at the beginning of the year	110,789	1,008	111,797
Depreciation/amortisation expense	(34,091)	(1,008)	(35,099)
Balance at the end of the year	76,698	-	76,698

10 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	4,643	18,925
Accruals and other payables	49,522	41,831
GST & PAYG payable	15,190	20,064
Prepaid Income	16,609	36,072
Prepaid SSAF Income	37,290	67,329
Total trade and other payables	123,254	184,221

James Cook University Student Association

ABN: 96 799 820 080

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

11 Lease liability

	2020	2019
	\$	\$
CURRENT		
Lease liability	34,229	33,539
	<u>34,229</u>	<u>33,539</u>
NON-CURRENT		
Lease liability	43,617	77,957
	<u>43,617</u>	<u>77,957</u>

12 Employee Benefits

	2020	2019
	\$	\$
CURRENT		
Annual Leave	94,122	69,529
TOIL	2,395	1,704
Long Service Leave	39,513	19,825
Total current employee benefits	<u>136,030</u>	<u>91,058</u>
NON-CURRENT		
Long service leave	48,478	40,595
Total non-current employee benefits	<u>48,478</u>	<u>40,595</u>

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:

	2020	2019
	\$	\$
Key management personnel compensation	157,090	136,807

James Cook University Student Association

ABN: 96 799 820 080

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

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 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	161,246	28,425	1,258	2,168

The Association's key funding arrangement is with James Cook University (JCU). JCU has provided \$800,651 in 2020 to fund the Association's operating expenditure for the 2020 year.

15 Contingencies

In the opinion of the Council, the James Cook University Student Association did not have any contingent assets or liabilities at 31 December 2020 (31 December 2019: Nil).

16 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 James Cook University Student Association, the results of those operations or the state of affairs of the James Cook University Student Association in future financial years.

James Cook University Student Association


ABN: 96 799 820 080

Statement by Members of Council

The Council of the 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 - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2020 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 

Dated this 13 day of April 2021.

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 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 Statement by Members of Council.

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 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 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.

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 – Reduced Disclosure Requirements 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, 14 / 04 / 2021.