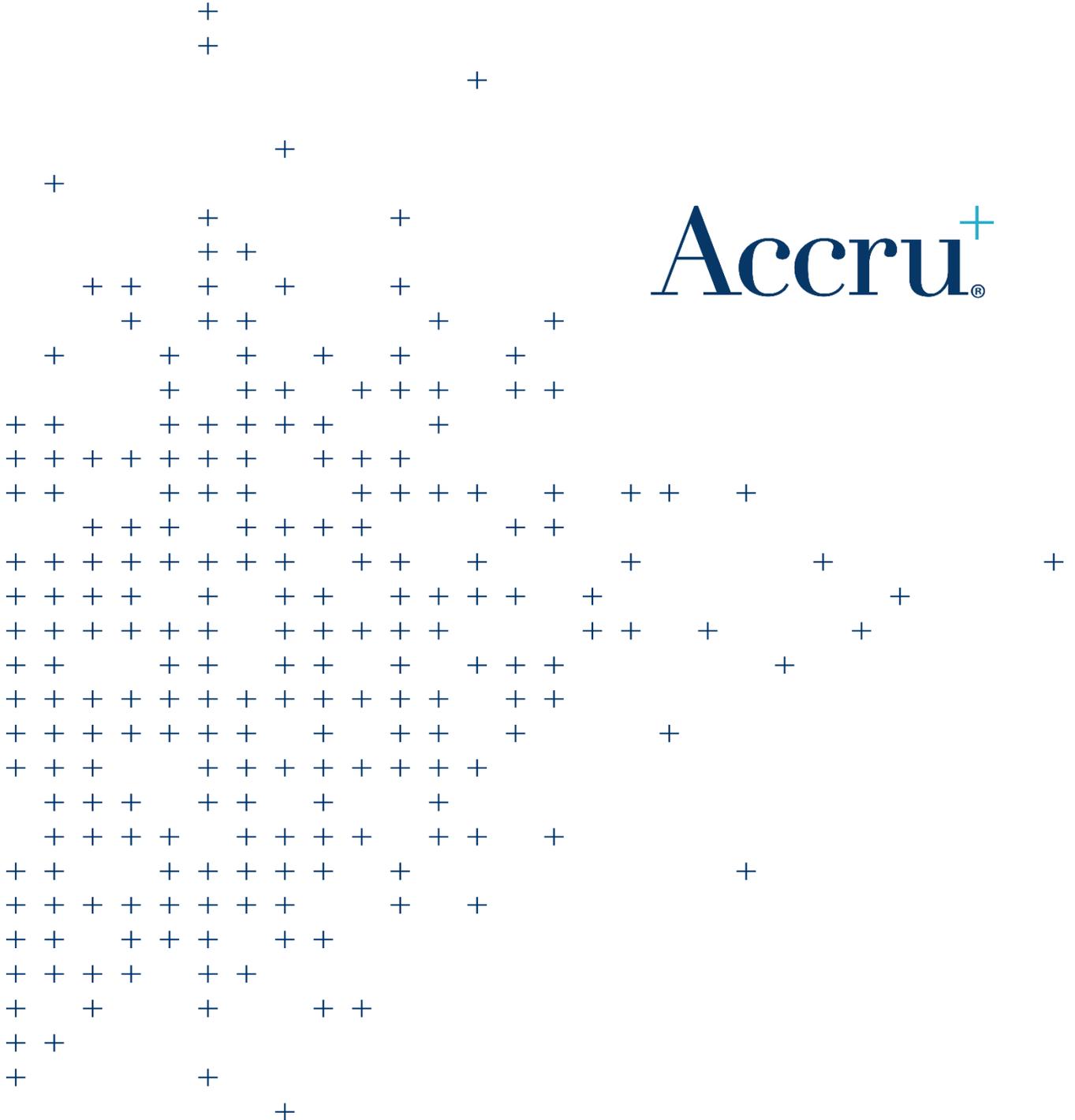


**UNIVERSITY OF MELBOURNE GRADUATE
STUDENT ASSOCIATION INC**

ABN 11 274 192 974

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2018**



University of Melbourne Graduate Student Association Inc

ABN 11 274 192 974

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For the Year Ended 31 December 2018

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University of Melbourne Graduate Student Association Inc

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Statement of Profit or Loss For the Year Ended 31 December 2018

	2018	2017
	\$	\$
Income		
Student services and amenities fee (SSAF) funding - core	2,560,707	2,410,024
SSAF - other	223,913	96,871
Other grants/contributions	205,000	-
Event income	59,094	55,622
Rental income	35,328	162,497
Interest income	32,279	29,754
Training and workshops	21,192	20,747
Venue hire income	33,520	23,013
Other income	61,725	29,910
	3,232,758	2,828,438
Expenditure		
Depreciation expense	93,927	76,780
Employee benefits expense	1,831,115	1,587,051
Other operating expenses	59,687	70,034
Honoraria	138,945	129,681
Program / project activity costs	454,485	347,528
Administration expenses	259,598	253,860
Audit fees	11,000	11,000
Computer / ICT expenses	29,454	45,289
Graduate groups support	192,239	171,679
Marketing and communications	132,074	78,329
Occupancy expenses	6,399	37,712
	3,208,923	2,808,943
Profit/(loss) for the year	23,835	19,495
Retained profits at the beginning of the financial year	1,563,262	1,543,767
Retained profits at the end of the financial year	1,587,097	1,563,262

The accompanying notes form part of these financial statements.

University of Melbourne Graduate Student Association Inc

ABN 11 274 192 974

Statement of Financial Position

As At 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	1,956,443	1,944,577
Trade and other receivables	3	11,624	3,689
Prepayments		7,900	35,706
TOTAL CURRENT ASSETS		1,975,967	1,983,972
NON-CURRENT ASSETS			
Plant and equipment	4	193,899	242,677
TOTAL NON-CURRENT ASSETS		193,899	242,677
TOTAL ASSETS		2,169,866	2,226,649
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	160,655	206,268
Employee benefits	6	178,025	130,306
Income in advance		123,334	148,379
TOTAL CURRENT LIABILITIES		462,014	484,953
NON-CURRENT LIABILITIES			
Employee benefits	6	57,422	35,934
Income in advance		63,333	142,500
TOTAL NON-CURRENT LIABILITIES		120,755	178,434
TOTAL LIABILITIES		582,769	663,387
NET ASSETS		1,587,097	1,563,262
MEMBERS' FUNDS			
Retained profits		1,587,097	1,563,262
TOTAL MEMBERS' FUNDS		1,587,097	1,563,262

The accompanying notes form part of these financial statements.

University of Melbourne Graduate Student Association Inc

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Statement of Changes in Equity For the Year Ended 31 December 2018

2018

	Retained Earnings	Total
	\$	\$
Balance at January 1, 2018	1,563,262	1,563,262
Profit for the year	23,835	23,835
Balance at 31 December 2018	1,587,097	1,587,097

2017

	Retained Earnings	Total
	\$	\$
Balance at January 1, 2017	1,543,767	1,543,767
Profit for the year	19,495	19,495
Balance at 31 December 2017	1,563,262	1,563,262

The accompanying notes form part of these financial statements.

University of Melbourne Graduate Student Association Inc

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Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	184,129	193,900
Proceeds from student services and amenities fee funding	2,882,449	3,077,551
Rent received	35,328	162,497
Receipts from other grants/contributions	291,500	-
Interest received	32,279	29,754
Payments to suppliers and employees	<u>(3,368,670)</u>	<u>(2,907,419)</u>
Net cash provided by/(used in) operating activities	7 <u>57,015</u>	<u>556,283</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	<u>(45,149)</u>	<u>(211,688)</u>
Net cash provided by/(used in) investing activities	<u>(45,149)</u>	<u>(211,688)</u>
Net increase/(decrease) in cash and cash equivalents held	11,866	344,595
Cash and cash equivalents at beginning of year	<u>1,944,577</u>	<u>1,599,982</u>
Cash and cash equivalents at end of financial year	2 <u>1,956,443</u>	<u>1,944,577</u>

The accompanying notes form part of these financial statements.

University of Melbourne Graduate Student Association Inc

ABN 11 274 192 974

Notes to the Financial Statements

For the Year Ended 31 December 2018

The financial statements cover University of Melbourne Graduate Student Association Inc as an individual entity. University of Melbourne Graduate Student Association Inc is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act'). The Association is registered with the *Australian Charities and Not-for-profits Commission*.

Basis of Preparation

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 Act.

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) 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.

(c) 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 incorporating bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposed under AASB 119.

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(d) 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 specific criteria relating to the type of revenue, has been satisfied.

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

Grant revenue is recognised as follows: where obligations exist to meet specific conditions and/or deliver economic value to the grant contributor in exchange, revenue is deferred and first recognised as a liability in the statement of financial position (income in advance) then progressively recognised as revenue in the statement of profit or loss as performance occurs in accordance with grant requirements, otherwise grants are recognised as revenue when the entity obtains control of the grant and it is probable that the economic benefits will flow to the entity.

Grants received relating to the purchase of capital items are first recognised as income in advance then progressively recognised as revenue over the expected useful life of the related assets.

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

(e) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(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) 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.

(h) Comparative amounts

When necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

University of Melbourne Graduate Student Association Inc

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Notes to the Financial Statements For the Year Ended 31 December 2018

2 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	529,280	542,473
Short-term deposits	1,427,163	1,402,104
	<u>1,956,443</u>	<u>1,944,577</u>

3 Trade and Other Receivables

CURRENT		
Trade receivables	3,920	51
Other receivables	7,704	3,638
Total current trade and other receivables	<u>11,624</u>	<u>3,689</u>

4 Property, plant and equipment

PLANT AND EQUIPMENT		
Student furniture & fittings		
At cost	24,318	12,432
Accumulated depreciation	(12,561)	(9,526)
Total plant and equipment	<u>11,757</u>	<u>2,906</u>
Office fixtures & fittings		
At cost	43,731	39,119
Accumulated depreciation	(15,910)	(9,083)
Total furniture, fixtures and fittings	<u>27,821</u>	<u>30,036</u>
Service improvements		
At cost	23,836	23,836
Accumulated depreciation	(17,823)	(13,056)
Total office equipment	<u>6,013</u>	<u>10,780</u>
Office equipment & computer hardware		
At cost	535,260	506,610
Accumulated depreciation	(386,952)	(307,655)
Total computer equipment	<u>148,308</u>	<u>198,955</u>
Total plant and equipment	<u>193,899</u>	<u>242,677</u>
Total property, plant and equipment	<u>193,899</u>	<u>242,677</u>

University of Melbourne Graduate Student Association Inc

ABN 11 274 192 974

Notes to the Financial Statements

For the Year Ended 31 December 2018

5 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Trade payables	-	77,076
Sundry payables and accrued expenses	160,655	129,192
	<u>160,655</u>	<u>206,268</u>

6 Employee Benefits

Current liabilities		
Long service leave	60,285	52,034
Annual leave	117,740	78,272
	<u>178,025</u>	<u>130,306</u>
Non-current liabilities		
Long service leave	57,422	35,934

7 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Profit/(loss) for the year	23,835	19,495
Non-cash flows in profit/(loss):		
- depreciation	93,927	76,780
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(7,935)	38,137
- (increase)/decrease in other assets	27,806	(19,440)
- increase/(decrease) in income in advance	(104,212)	290,879
- increase/(decrease) in trade and other payables	(45,613)	118,577
- increase/(decrease) in employee benefits	69,207	31,855
Cashflows from operations	<u>57,015</u>	<u>556,283</u>

The Association has no significant stand-by or financing facilities in place. There were no non-cash financing or investing activities during the period.

8 Contingencies

In the opinion of the Executive Committee, the Association did not have any contingencies at 31 December 2018.

9 Economic Dependence

The Association is economically dependent on continued funding from The University of Melbourne. In 2018 Student Services and Amenities funding received from The University of Melbourne was 92.48% (2017: 88.63%) of its income.

University of Melbourne Graduate Student Association Inc

ABN 11 274 192 974

Notes to the Financial Statements

For the Year Ended 31 December 2018

10 Going Concern

In October 2011, the Australian Parliament passed legislation to allow Universities and other higher education providers, to charge a compulsory Student Services and Amenities Fee (SSAF) from 2012 (see the Higher 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 University of Melbourne Graduate Student Association Inc based on the collection of SSA Fees. The funding agreement has been renewed for another three years ending December 2019. 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 2019.

University of Melbourne Graduate Student Association Inc

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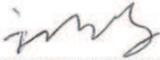
Statement by the Executive Committee

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 Graduate Student Association Inc as at 31 December 2018 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 Graduate Student Association Inc 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 
Peng Kuang

General Secretary 
Emily Roberts

Dated this 8th day of March 2019

Independent Audit Report to the members of University of Melbourne Graduate Student Association Inc

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of University of Melbourne Graduate Student Association Inc (the Association), which comprises the statement of financial position as at 31 December 2018, 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, and the statement by the executive committee.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Association as at 31 December 2018 and its financial performance for the year then ended in accordance with the accounting policy described in Note 1 to the financial statements and the requirements of the Associations Incorporation Reform Act 2012.

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 to fulfill the financial reporting responsibilities 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 Executive Committee

The Executive Committee of the Association 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, the Executive Committee 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.

The Executive Committee is responsible for overseeing the Association's financial reporting process.

Independent Audit Report to the members of University of Melbourne Graduate Student Association Inc

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 Executive Committee.
- Conclude on the appropriateness of the Executive Committee'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 Executive Committee 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 8th March 2019