

SWINBURNE STUDENT UNION INCORPORATED

ABN: 39774574866

**Financial Report For The Year Ended
31 December 2010**

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Financial Report For The Year Ended 31 December 2010

CONTENTS	Page
Committee's Report	1
Income and Expenditure Statement	2
Asset and Liabilities Statement	3
Notes to the Financial Statements	4
Statement by Members of the Committee	5
Independent Audit Report	6
Certificate by Members of the Committee	7

SWINBURNE STUDENT UNION INCORPORATED
ABN: 39774574866
INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010	2009
		\$	\$
INCOME			
Interest		8,046	11,414
Commissions received		6,536	12,142
Profit on sale of assets		1,385	22,758
Other		-	168
Fees received		105	891
Grants		6,000	-
		<u>22,072</u>	<u>47,373</u>
EXPENDITURE			
Depreciation		5,764	7,217
Office expenses		43,759	40,581
Administration expenses		24,390	12,882
Employee benefits		54,554	116,630
Bad debts		-	88
		<u>128,467</u>	<u>177,398</u>
Loss before income tax		<u>(106,395)</u>	<u>(130,025)</u>
Loss after income tax		<u>(106,395)</u>	<u>(130,025)</u>
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>212,239</u>	<u>342,264</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u>105,844</u>	<u>212,239</u>

The accompanying notes form part of these financial statements.

SWINBURNE STUDENT UNION INCORPORATED
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ASSETS AND LIABILITIES STATEMENT AS AT 31 DECEMBER 2010

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		97,397	204,174
TOTAL CURRENT ASSETS		<u>97,397</u>	<u>204,174</u>
NON CURRENT ASSETS			
Property, plant and equipment	2	5,764	11,528
TOTAL NON-CURRENT ASSETS		<u>5,764</u>	<u>11,528</u>
TOTAL ASSETS		<u>103,161</u>	<u>215,702</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		(2,685)	3,903
TOTAL CURRENT LIABILITIES		<u>(2,685)</u>	<u>3,903</u>
TOTAL LIABILITIES		<u>(2,685)</u>	<u>3,903</u>
NET ASSETS		<u>105,846</u>	<u>211,799</u>
MEMBERS' FUNDS			
Retained profits		105,846	212,239
TOTAL MEMBERS' FUNDS		<u>105,846</u>	<u>212,239</u>

The accompanying notes form part of these financial statements.

SWINBURNE STUDENT UNION INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1 Summary of Significant Accounting Policies

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis, are based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

(a) Income Tax

The Union is exempt from income tax by virtue of Section 50-5 of the Income Tax Assessment Act 1997 (as amended).

(b) Property, Plant and Equipment (PPE)

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

(c) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income and expenditure statement.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

Note 2 Property, Plant and Equipment

	2010	2009
	\$	\$
Office furniture, plant & equipment	832,410	832,410
Less accumulated depreciation	<u>(826,646)</u>	<u>(820,882)</u>
	<u>5,764</u>	<u>11,528</u>
Total Property, Plant and Equipment	<u><u>5,764</u></u>	<u><u>11,528</u></u>

Note 3 Related Parties

During the year ended 31 December 2010, Swinburne Student Union Incorporated members of the Council received Honararia payments for their services.

Note 4 Contingent Assets and Contingent Liabilities

Estimates of the potential affect of amounts currently under dispute with the Swinburne University of Technology are as follows:

The Union has received a claim from the Swinburne University of Technology in respect of net monies outstanding for rent and utilities in the period from 2000 to 2004. The amount claimed by the University in an email dated November 26 2009 is \$42,755, reduced from an earlier claim for \$52,566 (incl. GST).

The Council of the Union, whilst acknowledging that the claim has been made, disputes the validity of such a claim and of any obligation of the Union to make payment. Accordingly, the claim has not been recognised as a liability on the balance sheet in this financial report.

The Union counter claims that the amount of the original utilities invoice, dated 5 January 2008, should not have been offset by the University against amounts the University admits as liabilities to the Union. The Union also disputes a reduction of \$102,505 made by the University to the final claim for Funding made by the Union. Consequently, the Union is counterclaiming a net amount of \$300,184 (incl GST). Due to the uncertainty of recovering this amount it has not been recognised on the balance sheet as a receivable.

No formal legal action has been commenced to date and the Union hopes that an amicable resolution to this matter can be achieved.

SWINBURNE STUDENT UNION INCORPORATED
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STATEMENT BY MEMBERS OF THE COMMITTEE

The Council 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 Council the financial report as set out on pages 2 to 4:

1. Presents a true and fair view of the financial position of Swinburne Student Union Incorporated as at 31 December 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Swinburne Student Union Incorporated will be able to pay its debts as and when they fall due.

The statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:

President

James Searle

Secretary/Treasurer

Matthew Landolfo

Dated this 29th day of April 2011

PHILIP J DOWSLEY

CHARTERED ACCOUNTANT

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KEW VIC 3101
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SWINBURNE STUDENT UNION INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Swinburne Student Union Incorporated (the association), which comprises the committee's report, the assets and liabilities statement as at 31 December 2010, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Swinburne Student Union Incorporated is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act [insert name of state and year if applicable] and the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

Auditor's Opinion

In our opinion, the financial report of Swinburne Student Union Incorporated presents fairly, in all material respects the financial position of Swinburne Student Union Incorporated as at 31 December 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporations Act Victoria 1981.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the Associations Incorporation Act Victoria 1981. As a result, the financial report may not be suitable for another purpose.

Name : Philip Dowsley
Chartered Accountant

Address: PO Box 786 Kew Victoria 3101

Dated this 30th day of April 2011

Limited liability by a scheme approved under Professional Standards Legislation.

**SWINBURNE STUDENT UNION INCORPORATED
ABN: 39774574866
CERTIFICATE BY MEMBERS OF THE COMMITTEE**

I, James Searle of _____, and I, Matthew Landolfo of _____
certify that:

- (a) We attended the annual general meeting of the association held on 29 April 2011.
- (b) This annual statement was submitted to the members of the association at its annual general meeting.

Dated this 29th day of April 2011

James Searle

Matthew Landolfo