

SWINBURNE STUDENT UNION INCORPORATED

ABN: 39774574866

**Financial Report For The Year Ended
31 December 2011**

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Financial Report For The Year Ended 31 December 2011

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 2011

	Note	2011	2010
		\$	\$
INCOME			
Interest		5,102	8,046
Commissions received		8,449	6,536
Profit on sale of assets		-	1,385
Fees received		9,783	105
Grants		-	6,000
Fundraising		27,414	-
		<u>50,748</u>	<u>22,072</u>
EXPENDITURE			
Depreciation		5,764	5,764
Office expenses		23,750	43,759
Administration expenses		18,532	24,390
Employee benefits		-	54,554
Events		31,409	-
Fundraising		4,753	-
		<u>84,208</u>	<u>128,467</u>
Profit before income tax		<u>(33,460)</u>	<u>(106,395)</u>
Profit after income tax		<u>(33,460)</u>	<u>(106,395)</u>
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>105,846</u>	<u>212,241</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u><u>72,386</u></u>	<u><u>105,846</u></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 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		68,614	97,397
TOTAL CURRENT ASSETS		<u>68,614</u>	<u>97,397</u>
NON-CURRENT ASSETS			
Property, plant and equipment	2	2,283	5,764
TOTAL NON-CURRENT ASSETS		<u>2,283</u>	<u>5,764</u>
TOTAL ASSETS		<u>70,897</u>	<u>103,161</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		(1,489)	(2,685)
TOTAL CURRENT LIABILITIES		<u>(1,489)</u>	<u>(2,685)</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>(1,489)</u>	<u>(2,685)</u>
NET ASSETS		<u>72,386</u>	<u>105,846</u>
MEMBERS' FUNDS			
Retained profits		72,386	105,846
TOTAL MEMBERS' FUNDS		<u>72,386</u>	<u>105,846</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 2011

Note 1 Summary of Significant Accounting Policies

This financial report is a special purpose financial report 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 report has been prepared on an accruals basis and is 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 this financial report.

(a) Income Tax

The Association is exempt from income tax by virtue of Section 50-5 of the Income Tax Assessment Act 1997 9as 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 recognised in the income and expenditure statement.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes 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

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.

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 Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Note 2 Property, Plant and Equipment

	2011	2010
	\$	\$
Office equipment	834,694	832,410
Less accumulated depreciation	(832,411)	(826,646)
Total Property, Plant and Equipment	<u>2,283</u>	<u>5,764</u>

Note 3 Related Parties

Interest in Contracts

No member of the Council received any remuneration during the year.

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
ABN: 39774574866
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 2011 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 Committee and is signed for and on behalf of the Council by:

James Searle

Mark Briers

Dated this 14th day of May 2012

PHILIP J DOWSLEY

CHARTERED ACCOUNTANT

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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 Council's report, the assets and liabilities statement as at 31 December 2011, 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 Council.

Council's Responsibility for the Financial Report

The Council 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 Victoria 1981 and is appropriate to meet the needs of the members. The Council's responsibility also includes such internal control as the Council 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 of the financial report that gives a true and fair view, 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 Council, 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 opinion.

Qualification

Voluntary fundraising activities are a significant source of revenue for the Association. Due to the nature of the fundraising activities conducted by the Association it is not practicable to establish control over fundraising revenue prior to its initial entry in the accounting records. Accordingly, as the evidence available regarding revenue from these sources was limited, our audit procedures in regard to voluntary fundraising activities had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion as to whether voluntary fundraising revenue the Association obtained was complete.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial statements of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the preceding paragraph not existed, the financial report presents fairly, in all material respects the financial position of Swinburne Student Union Incorporated as at 31 December 2011 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 Incorporation Act Victoria 1981.

Basis of Accounting and Restriction on Distribution

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 to assist Swinburne Student Union Incorporated to meet the requirements of the Associations Incorporation Act Victoria 1981. As a result, the financial report may not be suitable for another purpose.

Auditor's signature:

Auditor's name: Philip Dowsley
Chartered Accountant

Dated this 14th day of May 2012
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, Mark Briers of
certify that:

- (a) We attended the annual general meeting of the association held on 14 May 2012.
- (b) The financial statements for the year ended 31 December 2011 were submitted to the members of the association at its annual general meeting.

Dated this 14th day of May 2012

James Searle

Mark Briers

