

# **Student Guild of Curtin University**

## **2020 Financial Statements**

# Student Guild of Curtin University

## 2020 FINANCIAL STATEMENTS

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# Student Guild of Curtin University

## 2020 FINANCIAL STATEMENTS

### STATEMENT BY GUILD COUNCIL

In accordance with a resolution of the Council of the Student Guild of Curtin University we state that -

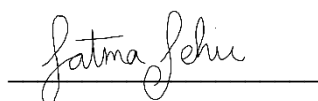
In the opinion of the Guild Council:

- (a) the Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows are drawn up so as to give a true and fair view of the performance of the Guild for the year ended 31 December 2020;
- (b) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Guild as at 31 December 2020;
- (c) the Guild has complied with the Australian Accounting Standards – Reduced Disclosure Requirements, the *Curtin University Act 1966* and the *Australian Charities and Not-for-Profits Commission Act 2012*, and
- (d) at the date of this statement there are reasonable grounds to believe that the Guild will be able to pay its debts as and when they fall due.

On behalf of the Guild Council



Jesse Naylor Zambrano  
President of the Student Guild of Curtin University



Fatma Sehic  
Secretary of the Student Guild of Curtin University

Dated this 31st day of March 2021

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES  
AND NOT-FOR-PROFITS COMMISSION ACT 2012  
TO STUDENT GUILD OF CURTIN UNIVERSITY**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- i. the auditor's independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



GREG GODWIN  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 31<sup>st</sup> day of March 2021.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT GUILD OF CURTIN UNIVERSITY**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of the Student Guild of Curtin University (the Guild), which comprises the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and statement by the Guild Council.

In our opinion, the accompanying financial report of the Student Guild of Curtin University is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Guild's financial position as at 31 December 2020 and of its performance and cash flows for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements, *Curtin University Act 1966* 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 Guild in accordance with the independence requirements of Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional Accountants 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 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 Guild Council for the Financial Report**

The Guild Council is responsible for the preparation of this financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, *Curtin University Act 1966* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Guild Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Guild Council is responsible for assessing the Guild'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 the Guild Council either intends to liquidate the Guild or to cease operations, or has no realistic alternative but to do so.

The Guild Council is responsible for overseeing the Guild's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF STUDENT GUILD OF CURTIN UNIVERSITY (CONTINUED)**

**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 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our audit report.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Section 60-45(3)(b) of the ACNC Act, in our opinion there are no deficiencies, failures or shortcomings in respect of the matters referred to in Section 60-30(3)(b), (c) or (d) of the ACNC Act.



GREG GODWIN  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 31<sup>st</sup> day of March 2021.

# Student Guild of Curtin University

2020 FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Continuing Operations Revenue</b>			
Sale of Goods		5,063,794	9,065,705
Rendering of Services		161,953	177,377
Rental Income		13,184	121,378
Finance Income		2,580	15,760
	<b>2</b>	<b>5,241,511</b>	<b>9,380,220</b>
Cost of Sales	<b>3 (iv)</b>	(1,947,167)	(3,341,368)
<b>Gross Profit</b>		<b>3,294,344</b>	<b>6,038,852</b>
Other Income	<b>2</b>	3,630,361	4,163,369
JobKeeper Income	<b>2</b>	2,467,170	0
Employee Benefits Expense		(5,314,935)	(6,564,586)
JobKeeper Top-up Payments *		(785,605)	0
Depreciation & Amortisation		(740,948)	(805,314)
Interest Expense on Lease Liability		(20,978)	(14,269)
Occupancy Expenses		(654,356)	(554,297)
Administrative Expenses		(413,508)	(474,469)
Finance Costs		(43,981)	(56,206)
Other Expenses	<b>3(i)</b>	(920,836)	(1,100,657)
Total Expenses		(8,895,147)	(9,569,798)
Profit from Continuing Operations		496,728	632,423
<b>Net Profit for the Year</b>	<b>3 (ii)</b>	<b>496,728</b>	<b>632,423</b>

\* JobKeeper Top-up Payments is money passed on to employees, topping their wages up to the level of JobKeeper Income received.

*The accompanying notes form part of these financial statements.*

# Student Guild of Curtin University

## 2020 FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	3,805,518	2,731,313
Trade and other receivables	5	368,919	340,309
Inventories	6	136,376	184,662
Other current assets	7	20,457	57,970
<b>Total Current Assets</b>		<b>4,331,270</b>	<b>3,314,254</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	1,593,408	2,106,664
Right-of-use Assets	13	535,866	763,558
<b>Total Non-Current Assets</b>		<b>2,129,274</b>	<b>2,870,222</b>
<b>Total Assets</b>		<b>6,460,544</b>	<b>6,184,476</b>
<b>Current Liabilities</b>			
Trade and other payables	9	614,443	633,227
Lease Liabilities		277,701	207,524
Short-term provisions	10	773,903	749,596
<b>Total Current Liabilities</b>		<b>1,666,047</b>	<b>1,590,347</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities		364,757	642,454
Long-term provisions	10	25,125	43,788
<b>Total Non-Current Liabilities</b>		<b>389,882</b>	<b>686,242</b>
<b>Total Liabilities</b>		<b>2,055,929</b>	<b>2,276,589</b>
<b>Net Assets</b>		<b>4,404,615</b>	<b>3,907,887</b>
<b>Equity</b>			
Retained Earnings		4,404,615	3,907,887
<b>Total Equity</b>		<b>4,404,615</b>	<b>3,907,887</b>

The accompanying notes form part of these financial statements.



# Student Guild of Curtin University

## 2020 FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Retained Earnings \$	Total Equity \$
<b>Balance at 1 January 2019</b>	3,275,464	3,275,464
Total Comprehensive Income/(Loss) for the year	632,423	632,423
Transfer from/(to) retained earnings	0	0
<b>Balance at 31 December 2019</b>	3,907,887	3,907,887
<b>Balance at 1 January 2020</b>	3,907,887	3,907,887
Total Comprehensive Income/(Loss) for the year	496,728	496,728
Transfer from/(to) retained earnings	0	0
<b>Balance at 31 December 2020</b>	4,404,615	4,404,615

*The accompanying notes form part of these financial statements*

# Student Guild of Curtin University

## 2020 FINANCIAL STATEMENTS

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from students/customers		6,342,866	10,393,778
Receipts from SSAF		2,597,737	2,998,998
Receipts from the ATO		2,211,600	0
Interest Paid		(20,978)	(14,267)
Payments to suppliers and employees		(10,007,729)	(12,232,520)
Interest received	2	2,580	15,760
<b>Net Cash Provided by Operating Activities</b>		<b>1,126,076</b>	<b>1,161,749</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sales of Assets		3,725	36,400
Purchase of property, plant and equipment	8 (i)	0	(163,019)
<b>Net Cash Flows used in Investing Activities</b>		<b>3,725</b>	<b>(126,619)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Lease Liabilities		(55,596)	(141,273)
<b>Net Cash Flows used in Financing Activities</b>		<b>(55,596)</b>	<b>(141,273)</b>
<b>Net Increase in Cash Held</b>		<b>1,074,205</b>	<b>893,857</b>
Cash at beginning of financial year		2,731,313	1,837,456
<b>Cash at end of Financial Year</b>	4	<b>3,805,518</b>	<b>2,731,313</b>

*The accompanying notes form part of these financial statements*

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and the Curtin University Act 1966.

The Student Guild of Curtin University is a not-for-profit Guild for financial reporting purposes under Australian Accounting Standards. The Guild was established under the *Curtin University Act 1966* and related Statutes.

The following is a summary of the material accounting policies adopted by the Guild in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Income Tax

No provision for income tax has been raised as the Guild is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Finished goods – purchase cost on a first-in-first-out basis.

#### (c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

##### Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Guild and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Building Improvements – Other	Rate required based on Lease Terms
Furniture, Fittings and Equipment	10%-50%
Motor Vehicle	25%

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Property, Plant and Equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

#### (d) Leases

At inception of a contract, the Guild assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Guild where the Guild is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Guild uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Guild anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (e) Provisions

Provisions are recognized when the Guild has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (f) Employee Benefits

##### Short-term Employee Benefits

Provision is made for the Guild's obligation for short-term employee benefits for wages, annual leave and long service leave entitlements. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled, and are recognised as part of short-term provisions in the statement of financial position.

##### Long-term Benefits

The Guild classifies employees' long service leave as other long-term employee benefits, when they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Guild's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Guild's obligations for long-term employee benefits are presented as long-term provisions in its statement of financial position, except where the Guild does not have an unconditional right to defer settlement

#### (g) Cash and Cash Equivalents

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

#### (h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers, net of member trade discounts. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

##### *Operating Grants*

When the Guild receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (h) Revenue (Cont'd)

When both these conditions are satisfied, the Guild:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations the Guild:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Guild recognises income in profit or loss when or as it satisfies its obligations under the contract.

#### *Capital Grant*

When the Guild receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Guild recognises income in profit or loss when or as the Guild satisfies its obligations under terms of the grant.

Interest income is recognised using the effective interest method. Rental income is recognised on a straight line basis over the lease term.

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

#### (i) 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. 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 statement of financial position are shown inclusive of GST.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### (j) Financial Instruments

##### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Guild becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Guild commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) Financial Instruments (Cont'd)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

#### **Classification and subsequent measurement**

##### *Financial Liabilities*

Financial liabilities are subsequently measured at amortised cost, using the effective interest method, or fair value, through profit and loss..

##### *Financial asset*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (j) Financial Instruments (Cont'd)

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Guild no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### **Impairment**

The Guild recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Loss allowance is not recognised for financial assets measured at fair value through profit or loss.

The Guild uses the simplified approach to impairment, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times

This approach is applicable to trade receivables. In measuring the expected credit loss a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

##### **Recognition of expected credit losses in financial statements**

At each reporting date, the Guild recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

As at 31st December 2020 the Guild has assessed all trade debtors and has taken up a minor provision for doubtful debts.

#### (k) Impairment of Non-Financial Assets

At the end of each reporting date, the Guild reviews the carrying values of its non-financial 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 statement of profit or loss and other comprehensive income.



# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (n) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts receivable from customers for goods sold and services rendered in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(j) for further discussion on the determination of impairment losses.

#### (o) Critical Accounting Estimates and Judgements

##### **Useful lives of property, plant and equipment**

The Association reviews the estimated useful lives of plant and equipment at the end of each annual reporting period.

##### *Key Judgements*

##### (a) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

##### (b) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably certain of being exercised is a key management judgement that the Guild will make. The Guild determines the likelihood to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the Guild.

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (o) Critical Accounting Estimates and Judgements (Cont'd)

##### (c) Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Guild expects most employees will take their annual leave entitlements within 12 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>NOTE 2: REVENUE</b>		<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue Continuing</b>			
Trading Activities			
Catering	(a)	3,872,178	7,278,646
Retail	(a)	1,191,616	1,787,059
<b>Total Trading Activities</b>	<b>(b)</b>	<b>5,063,794</b>	<b>9,065,705</b>
Other Operating Activities			
Membership Income		161,953	177,377
Commercial Complex	(c)	13,184	121,378
Interest Revenue		2,580	15,760
<b>Total Other Operating Activities</b>		<b>177,717</b>	<b>314,515</b>
<b>Total Operations Revenue</b>		<b>5,241,511</b>	<b>9,380,220</b>
Other Income			
Other Income Activities			
Catering		4,062	21,758
Retail		140,604	248,966
Student Services & Amenities Fee (SSAF)	(d)	2,480,046	3,116,688
University Grant		750,000	750,000
Net Gain from Sale of Assets		3,725	25,957
Income from Rental Abatement		151,924	0
Other (ATO Cashflow Boost)		100,000	0
<b>Total Other Income</b>		<b>3,630,361</b>	<b>4,163,369</b>
JobKeeper Income	(e)	2,467,170	0
<b>Total Revenue</b>		<b>11,339,042</b>	<b>13,543,589</b>

(a) In 2020 members received discounts of \$182,507 (2019: \$299,215). Trading revenue is reported net of discounts.

(b) Trading activity on campus decreased significantly in 2020 due to the outbreak of the COVID-19 pandemic. The campus was closed entirely from mid-March to mid-May, with students not returning until Semester 2. Additionally, all 2020 lectures from mid-March onwards were held online.

(c) The Guild passed on rent relief to tenants during the period March to December 2020.

(d) Due to the outbreak of the COVID-19 pandemic the University charged students 50% SSAF for semester 1. Semester 2 was charged normally. The Guild still received 50% of the SSAF received by the University.

(e) Due to the drop in trading revenue brought about by the COVID-19 pandemic, the Guild qualified for government support in the form of JobKeeper

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>NOTE 3: PROFIT / (LOSS) FROM ORDINARY ACTIVITIES</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>(i) Other Expenses includes the following:</b>		
Consumables	136,346	222,251
Equipment Purchases (a)	256,957	0
Equipment Repairs & Maintenance	70,335	96,013
Events	165,999	442,467
Grants	118,288	98,009
Other Expenses	92,040	113,843
Promotional Expenses	76,492	75,881
Travel & Conferences	4,379	52,193
<b>Total Other Expenses</b>	<b>920,836</b>	<b>1,100,657</b>
(a) In 2020 the Capital Threshold was raised, resulting in an increase of equipment purchases		
<b>(ii) Net Surplus / (Deficit) has been derived from the following:</b>		
Administration	71,503	74,842
Representation Services	(76,130)	(16,265)
Student Services	361,469	124,965
Commercial	139,886	448,881
<b>Operating Surplus / (Deficit) from operations</b>	<b>496,728</b>	<b>632,423</b>
<b>(iii) Disposal of Assets (included in Other Income)</b>		
Net gain on the disposal of:		
Other Assets	3,725	25,957
<b>(iv) Cost of Sales</b>		
<i>Trading Activities</i>		
Catering	1,292,660	2,356,916
Retail	654,507	984,452
<b>Total Cost of Sales</b>	<b>1,947,167</b>	<b>3,341,368</b>

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	3,805,518	2,710,456
Short-term bank deposits	0	20,857
	<b>3,805,518</b>	<b>2,731,313</b>

<b>NOTE 5: RECEIVABLES</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables	45,606	155,649
Other receivables	262,111	101,033
Provision for impairment	(1,140)	(3,891)
GST receivable	62,342	87,518
	<b>368,919</b>	<b>340,309</b>

<b>NOTE 6: INVENTORIES</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>At Cost</b>		
Finished Goods	140,560	190,254
Provision for Obsolescence	(4,184)	(5,592)
	<b>136,376</b>	<b>184,662</b>

<b>NOTE 7: OTHER CURRENT ASSETS</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Prepayments	20,457	57,970

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>NOTE 8: PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Leasehold Land &amp; Buildings Improvements</i>		
At Cost	8,296,274	8,314,988
Accumulated Amortisation	(6,845,437)	(6,482,276)
	1,450,837	1,832,712
<i>Furniture, Fittings &amp; Equipment</i>		
At Cost	2,757,584	3,052,873
Accumulated Depreciation	(2,615,013)	(2,778,921)
	142,571	273,952
<i>Motor Vehicles</i>		
At Cost	38,210	38,210
Accumulated Depreciation	(38,210)	(38,210)
	0	0
<b>Total Written Down Value</b>	<b>1,593,408</b>	<b>2,106,664</b>

### (i) Movement in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning of the year and the end of the current financial year.

<b>2020</b>	Leasehold Land & Buildings Improvements	Furniture Fittings & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Opening Balance	1,832,712	273,952	0	2,106,664
Additions	0	0	0	0
Disposals	0	0	0	0
Depreciation	(381,875)	(131,381)	0	(513,256)
<b>Carrying Amount</b>	<b>1,450,837</b>	<b>142,571</b>	<b>0</b>	<b>1,593,408</b>

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>NOTE 9: PAYABLES</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade Payables	136,110	165,506
Sundry Accruals	43,299	24,382
Sundry Payables	435,034	443,339
	<b>614,443</b>	<b>633,227</b>

### NOTE 10: PROVISIONS

A provision has been recognised for employee benefits relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Employee Benefits	712,170	629,662
Other	86,857	163,722
	<b>799,027</b>	<b>793,384</b>
Current	773,902	749,596
Non Current	25,125	43,788
	<b>799,027</b>	<b>793,384</b>

<b>NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Guild Council Members	253,126	192,843
Professional Management	466,949	435,627
	<b>720,075</b>	<b>628,470</b>

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTE 12: EVENTS AFTER REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Guild up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

### NOTE 13: RIGHT-OF-USE ASSETS

The Guild's lease portfolio includes leased buildings. These leases have an average of 6.83 years as their lease term.

#### *Options to Extend or Terminate*

The options to extend or terminate are contained in several of the Guild's property leases. These clauses provide the Guild opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Guild. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

i) <b>AASB 16 related amounts recognised in the Statement of Financial Position</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Right-of-use assets:		
Leased Buildings	991,251	991,251
Accumulated Amortisation	(455,385)	(227,693)
<b>Total Right-of-use asset</b>	<b>535,866</b>	<b>763,558</b>
<b>Movement in carrying amounts:</b>		
Leased Buildings:		
Opening Balance	763,558	0
Recognised on initial application of AASB 16	0	991,251
Amortisation Expense	(227,692)	(227,693)
<b>Closing Balance</b>	<b>535,866</b>	<b>763,558</b>
ii) <b>AASB 16 related amounts recognised in the Statement of Financial Performance</b>		
Depreciation charge related to right-of-use assets	227,692	227,693
Interest expense on lease liabilities	20,978	14,269



# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>NOTE 13: RIGHT-OF-USE ASSETS (CONT'D)</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>iii) Cash Outflow for Leases</b>		
Lease payments for the year	76,469	155,543

<b>iv) Lease Liability Maturity Analysis</b>	Due Within 1 Year	Due Between 1 to 5 Years	Due after 5 Years	Total Contractual Cash Flows	Carrying Amounts
	\$	\$	\$	\$	\$
Year 2020	305,748	401,592	4	707,344	642,458
Year 2019	228,483	707,335	6	935,824	849,978

The Guild has 6 leases with Curtin University; four leases covering the catering outlets which expire in 2022 or 2023, and two Guild Head leases with peppercorn rent only, that expire in 2027.

### NOTE 14: CONTINGENT LIABILITIES

The Guild has no contingent Liabilities.

### NOTE 15: RELATED PARTY TRANSACTIONS

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

<b>Transactions with Related Parties</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
The following transactions occurred with Curtin University:		
Purchases of Goods & Services	296,978	461,310
Revenue for providing Goods & Services	3,585,624	4,707,027

The following balances are outstanding at the reporting date in relation to transactions with Curtin University:

Trade and other Receivables at 31 December	36,038	237,126
Trade and other Payables at 31 December	154,664	248,230
Interest Payable at 31 December	64,886	85,846
Lease Liabilities at 31 December	642,458	849,978

The key management personnel remuneration is disclosed in Note 11.

# Student Guild of Curtin University

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### NOTE 16: CAPITAL COMMITMENT

The Guild had no capital Commitments at 31 December 2020.

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### NOTE 17: GUILD REGISTERED OFFICE

The registered office of the Guild is:

Curtin University

Building 106f

Kent St

Bentley, Western Australia