

Student Guild of Curtin University

2019 Financial Statements

Student Guild of Curtin University

2019 FINANCIAL STATEMENTS

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Student Guild of Curtin University

2019 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 2019;
- (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 2019;
- (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



Hana Arai
President of the Student Guild of Curtin University



Lachlan Lee
Secretary of the Student Guild of Curtin University

Dated this 3rd day of April 2020

**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 2019 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 STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 3rd day of April 2020.

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 2019, 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 (ACNC ACT)*, including:

- i. giving a true and fair view of the Guild's financial position as at 31 December 2019 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 confirm that the independence declaration required by the *ACNC ACT 2012*, which has been given to the Guild Council of Student Guild of Curtin University, would be in the same terms if given to the Guild Council as at the time of this auditor's report.

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. 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 STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 4th day of April 2020.

Student Guild of Curtin University

2019 FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Continuing Operations Revenue			
Sale of Goods		9,065,705	9,624,418
Rendering of Services		177,377	332,794
Rental Income		121,378	121,378
Finance Income		15,760	9,876
	2	9,380,220	10,088,466
Cost of Sales	3 (iv)	(3,341,368)	(3,344,327)
Gross Profit		6,038,852	6,744,139
Other Income	2	4,163,369	4,189,943
Employee Benefits Expense		(6,564,586)	(7,324,214)
Depreciation & Amortisation		(805,314)	(1,074,320)
Interest Expense on Lease Liability		(14,269)	0
Occupancy Expenses		(554,297)	(485,501)
Administrative Expenses		(474,469)	(429,843)
Finance Costs		(56,206)	(80,856)
Other Expenses	3(i)	(1,100,657)	(1,289,283)
Total Expenses *		(9,569,798)	(10,684,017)
Profit from Continuing Operations		632,423	250,065
Net Profit for the Year	3 (ii)	632,423	250,065

* In 2019 Expenses for 2019 and 2018 have been reclassified to reflect more accurately what each category is made up of.

The accompanying notes form part of these financial statements.

Student Guild of Curtin University

2019 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	4	2,731,313	1,837,456
Trade and other receivables	5	340,309	231,213
Inventories	6	184,662	183,582
Other current assets	7	57,970	153,907
Total Current Assets		3,314,254	2,406,158
Non-Current Assets			
Property, plant and equipment	8	2,106,664	2,531,709
Right-of-use Assets	13	763,558	0
Total Non-Current Assets		2,870,222	2,531,709
Total Assets		6,184,476	4,937,867
Current Liabilities			
Trade and other payables	9	633,227	930,043
Lease Liabilities		207,524	0
Short-term provisions	10	749,596	722,757
Total Current Liabilities		1,590,347	1,652,800
Non-Current Liabilities			
Lease Liabilities		642,454	0
Long-term provisions	10	43,788	9,603
Total Non-Current Liabilities		686,242	9,603
Total Liabilities		2,276,589	1,662,403
Net Assets		3,907,887	3,275,464
Equity			
Retained Earnings		3,907,887	3,275,464
Total Equity		3,907,887	3,275,464

The accompanying notes form part of these financial statements.

Student Guild of Curtin University

2019 FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Retained Earnings \$	Capital Development Reserve \$	Total Equity \$
Balance at 1 January 2018	2,913,132	112,267	3,025,399
Total Comprehensive Income/(Loss) for the year	250,065	0	250,065
Transfer from/(to) retained earnings	112,267	(112,267)	0
Balance at 31 December 2018	3,275,464	0	3,275,464
Balance at 1 January 2019	3,275,464	0	3,275,464
Total Comprehensive Income/(Loss) for the year	632,423	0	632,423
Transfer from/(to) retained earnings	0	0	0
Balance at 31 December 2019	3,907,887	0	3,907,887

The accompanying notes form part of these financial statements

Student Guild of Curtin University

2019 FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from students/customers		10,393,778	12,822,621
Receipts from SSAF		2,998,998	2,870,679
Interest Paid		(14,267)	0
Payments to suppliers and employees		(12,232,520)	(13,882,470)
Interest received	2	15,760	9,876
Net Cash Provided by Operating Activities		1,161,749	1,820,706
Cash Flows from Investing Activities			
Proceeds from sales of Assets		36,400	0
Purchase of property, plant and equipment	8 (i)	(163,019)	(156,014)
Net Cash Flows used in Investing Activities		(126,619)	(156,014)
Cash Flows from Financing Activities			
Repayment of Lease Liabilities		(141,273)	0
Net Cash Flows used in Financing Activities		(141,273)	0
Net Increase in Cash Held		893,857	1,664,692
Cash at beginning of financial year		1,837,456	172,764
Cash at end of Financial Year *	4	2,731,313	1,837,456

*Cash at end of financial year includes cash and cash equivalents and term deposits.

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 2019

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 2019

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 2019

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

(e) Provisions

Provisions are recognised 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

Provision is made for the Guild's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Guild to an employee superannuation fund and are charged as expenses when incurred.

(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, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position

(h) Revenue

The Guild has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.

Revenue from the sale of goods is recognised upon the delivery of goods to customers, net of member trade discounts. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

The Current Year

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.

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.

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

(h) Revenue (Cont'd)

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.

The Comparative Period

Revenue from grants or subsidies is recognised when control of the funds passes to the Guild, it is probable that the economic benefits gained from the grant will flow to the Guild and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Guild incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

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.

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

(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).

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

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.

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

(j) Financial Instruments (Cont'd)

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.

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).

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

(j) Financial Instruments (Cont'd)

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 2019 the Guild has assessed all debtors and expects no significant credit losses.

(k) Impairment of Non-Financial Assets

At 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.

(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.

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

(o) New and Amended Accounting Policies Adopted by the Guild

Initial application of AASB 16

The Guild has adopted AASB 16: Leases, using the cumulative effect method of initially applying AASB 16 recognised at 1 January 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

The Guild has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Guild is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Guild's incremental borrowing rate as at 1 January 2019 was used to discount the lease payments.

The right-of-use asset was measured at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the Guild's weighted average incremental borrowing rate on 1 January 2019.

The right-of-use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 January 2019 by taking into consideration the lease liability and prepaid and accrued lease payments previously recognised at 1 January 2019 (that are related to the lease).

The following practical expedients have been used by the Guild in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- leases that have remaining lease term of less than 12 months as at 1 January 2019 have been accounted for in the same way as short-term leases
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate
- applying AASB 16 to leases previously identified as leases under AASB 117 and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The adoption of AASB 16 has resulted in a change of accounting policy (see note (d))

Initial application of AASB 15 and AASB 1058

The Guild has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.

The adoption of AASB1058 and AASB15 has resulted in a change of accounting policy (see note (h)). There has been no significant impact to the Guild on adopting AASB1058 and AASB15 at 1st January 2019.

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 2: REVENUE	2019	2018
	\$	\$
Continuing Operations Revenue		
Trading Activities		
Catering (a)	7,278,646	7,777,913
Retail (a)	1,787,059	1,846,505
Total Trading Activities	9,065,705	9,624,418
Other Operating Activities		
Membership Income	177,377	332,794
Commercial Complex	121,378	121,378
Interest Revenue	15,760	9,876
Total Other Operating Activities	314,515	464,048
Total Continuing Operations Revenue	9,380,220	10,088,466
Other Income		
Other Income Activities		
Catering	21,758	16,263
Retail	248,966	334,000
Student Services & Amenities Fee (SSAF)	3,116,688	2,870,679
University Grant	750,000	750,000
Net Gain from Sale of Assets	25,957	3,863
Other	0	215,138
Total Other Income	4,163,369	4,189,943
Total Revenue	13,543,589	14,278,409

(a) In 2019 the Guild gave \$299,215 worth of membership discounts (2018: \$363,888). Trading revenue is reported net of discounts

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 3: PROFIT / (LOSS) FROM ORDINARY ACTIVITIES		2019	2018
		\$	\$
(i) Other Expenses includes the following:			
Consumables		222,251	232,852
Equipment Repairs & Maintenance		96,013	83,365
Events		442,467	424,272
Grants		98,009	141,087
Other Expenses		113,843	248,647
Promotional Expenses		75,881	112,916
Travel & Conferences		52,193	46,144
Total Other Expenses	(a)	1,100,657	1,289,283
(ii) Net Surplus / (Deficit) has been derived from the following:			
Administration		74,842	(390,015)
Representation Services		(16,265)	(189,903)
Student Services		124,965	145,893
Commercial		448,881	684,090
Operating Surplus / (Deficit) from operations		632,423	250,065
(iii) Disposal of Assets (included in Other Income)			
Net gain on the disposal of:			
Other Assets		25,957	3,863
(iv) Cost of Sales			
<i>Trading Activities</i>			
Catering		2,356,916	2,441,400
Retail		984,452	902,927
Total Cost of Sales		3,341,368	3,344,327

(a) In 2019 Other Expenses for 2019 and 2018 have been reclassified to reflect more accurately what each category is made up of.

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 4: CASH AND CASH EQUIVALENTS	2019	2018
	\$	\$
The effective interest rate on short-term bank deposits was 2.55% (2018:2.6%)		
The Guild has a corporate credit card which in 2019 was guaranteed by a \$20,857 term deposit with Bankwest. This guarantee is no longer required by Bankwest, and was removed in January 2020.		
Cash at bank and on hand	2,710,456	1,817,127
Short-term bank deposits	20,857	20,329
	2,731,313	1,837,456

NOTE 5: RECEIVABLES	2019	2018
	\$	\$
Current		
Trade receivables	155,649	78,551
Other receivables	101,033	64,828
Provision for impairment	(3,891)	(1,964)
GST receivable	87,518	89,798
	340,309	231,213

NOTE 6: INVENTORIES	2019	2018
	\$	\$
At Cost		
Finished Goods	190,254	187,578
Provision for Obsolescence	(5,592)	(3,996)
	184,662	183,582

NOTE 7: OTHER CURRENT ASSETS	2019	2018
	\$	\$
Prepayments	57,970	153,907

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 8: PROPERTY, PLANT & EQUIPMENT	2019	2018
	\$	\$
<i>Leasehold Land & Buildings Improvements</i>		
At Cost	8,314,988	8,256,682
Accumulated Amortisation	(6,482,276)	(6,107,612)
	1,832,712	2,149,070
<i>Furniture, Fittings & Equipment</i>		
At Cost	3,052,873	3,120,650
Accumulated Depreciation	(2,778,921)	(2,754,943)
	273,952	365,707
<i>Motor Vehicles</i>		
At Cost	38,210	159,583
Accumulated Depreciation	(38,210)	(142,651)
	0	16,932
Total Written Down Value	2,106,664	2,531,709

(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.

2019	Leasehold Land & Buildings Improvements	Furniture Fittings & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Opening Balance	2,149,070	365,707	16,932	2,531,709
Additions	58,306	104,713	0	163,019
Disposals	0	(343)	(10,100)	(10,443)
Depreciation	(374,664)	(196,125)	(6,832)	(577,621)
Carrying Amount	1,832,712	273,952	0	2,106,664

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 9: PAYABLES	2019	2018
	\$	\$
Trade Payables	633,227	930,043

NOTE 10: PROVISIONS	2019	2018
	\$	\$
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.		
Employee Benefits	629,662	638,639
Other	163,722	93,721
	793,384	732,360
Current	749,596	722,757
Non Current	43,788	9,603
	793,384	732,360

NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION	2019	2018
	\$	\$
Guild Council Members	192,843	388,794
Professional Management	435,627	764,063
	628,470	1,152,857

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 12: EVENTS AFTER REPORTING PERIOD

COVID-19, a pandemic of uncertain proportions, is expected to reduce trade across all Guild Commercial outlets in 2020, as students begin to study online and staff work from home. Reforecasting has been carried out by the Guild and, whilst a significant impact is expected, the Guild is expected to continue to trade as a going concern in 2020. The Guild's earliest estimate, based on the closure in full of all outlets for three and a half months, shows a reduction in budgeted Net Profit for the year ended 31 December 2020 of \$584,817.

NOTE 13: RIGHT-OF-USE ASSETS

2019

\$

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) AASB 16 related amounts recognised in the balance sheet

Right-of-use assets

Leased Buildings

991,251

Accumulated Amortisation

(227,693)

Total Right-of-use asset

763,558

Movement in carrying amounts:

Leased Buildings:

Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)

991,251

Amortisation Expense

(227,693)

Net Carrying amount

763,558

ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets

227,693

Interest expense on lease liabilities

14,269

Student Guild of Curtin University

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 14: CONTINGENT LIABILITIES

The Guild has no contingent Liabilities.

NOTE 15: RELATED PARTY TRANSACTIONS

2019

2018

\$

\$

Transactions with Related Parties

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

The following transactions occurred with Curtin University:

Purchases of Goods & Services	461,310	391,384
Revenue for providing Goods & Services	4,707,027	4,256,887

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

Trade and other Receivables at 31 December	237,126	66,048
Trade and other Payables at 31 December	248,230	99,724
Lease Liabilities at 31 December	849,978	0

The key management personnel remuneration is disclosed in Note 11.

NOTE 16: CAPITAL COMMITMENT

The Guild has signed two tenders as at 31 December 2019; - \$238,817 for the refurbishment of the Student Guild office and \$102,758 for the upgrade of the GMart.

NOTE 17: GUILD REGISTERED OFFICE

The registered office of the Guild is:

Curtin University
Building 106
Kent St