

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA**

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
Revenue			
Sale of Goods		4,181,572	3,268,798
Cost of Sales		(1,614,378)	(1,285,555)
Gross Profit		<u>2,567,194</u>	<u>1,983,243</u>
Student Services and Amenities Fee from UWA		2,946,622	2,790,912
Commission income		122,621	142,791
Finance income	2(a)	711,126	174,036
Rental - Property and Equipment income		741,812	431,482
Rebate Income	2(e)	22,799	25,611
Other income	2(b)	873,365	2,418,518
Administrative expenses	2(c)	(2,586,541)	(2,264,175)
Employee Benefits expense	2(d)	(5,001,885)	(4,806,123)
Profit before finance costs		<u>397,113</u>	<u>896,295</u>
Finance costs		(9,403)	(17,536)
Gain/(Loss) on disposal Fixed Assets		-	909
Net Profit		<u><u>387,710</u></u>	<u><u>879,668</u></u>
Other Comprehensive Income for the year		<u>-</u>	<u>-</u>
Total Comprehensive Income for the year		<u><u>387,710</u></u>	<u><u>879,668</u></u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	13(a)	516,561	483,085
Trade and other receivables	3	746,462	1,056,043
Inventories	4	125,853	68,595
Other financial assets	7	3,261,940	2,326,054
TOTAL CURRENT ASSETS		<u>4,650,816</u>	<u>3,933,777</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,883,098	6,068,583
Intangible assets	5	21,477	80,931
Right-of-Use assets	6	33,916	54,815
Other financial assets	7	2,000,000	2,000,000
TOTAL NON-CURRENT ASSETS		<u>7,938,491</u>	<u>8,204,329</u>
TOTAL ASSETS		<u>12,589,307</u>	<u>12,138,106</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,245,004	1,278,359
Provisions	9	624,642	502,730
Lease Liabilities		13,183	14,129
TOTAL CURRENT LIABILITIES		<u>1,882,829</u>	<u>1,795,218</u>
NON-CURRENT LIABILITIES			
Provisions	9	75,118	88,830
Payables	10	106,195	107,906
Lease Liabilities		35,298	43,995
TOTAL NON-CURRENT LIABILITIES		<u>216,611</u>	<u>240,731</u>
TOTAL LIABILITIES		<u>2,099,440</u>	<u>2,035,949</u>
NET ASSETS		<u>10,489,867</u>	<u>10,102,157</u>
EQUITY			
Retained earnings	11	3,059,867	2,672,157
Reserves	12	7,430,000	7,430,000
TOTAL EQUITY		<u>10,489,867</u>	<u>10,102,157</u>

The Statement of Financial Position is to be read in conjunction with the accompanying notes

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		9,295,695	6,832,397
Government grants Received		326,850	1,949,050
Payments to Suppliers and Employees		(9,104,492)	(8,352,187)
Interest Received		240	1,325
Interest Paid		(9,403)	(16,421)
Net Cash Provided by Operating Activities	13 (b)	<u>508,890</u>	<u>414,164</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant, Equipment & Intangible Assets		(248,702)	(279,202)
Net Proceeds on Disposal of Plant and Equipment		-	18,015
Net Cash Used in Investing Activities		<u>(248,702)</u>	<u>(261,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (Deposits) / Withdrawals - Long and Short Term Pool		(225,000)	-
Net Receipts of Funds Held in Trust		(1,712)	4,354
Net Cash (Used In)/ Provided by by Financing		<u>(226,712)</u>	<u>4,354</u>
NET INCREASE IN CASH HELD		33,476	157,331
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		483,085	325,754
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13 (a)	<u><u>516,561</u></u>	<u><u>483,085</u></u>

The Statement of Cash Flows is to be read in conjunction with the accompanying notes

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 January 2021	2,672,157	7,430,000	10,102,157
Net Profit for the year	387,710	-	387,710
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	<u>387,710</u>	<u>-</u>	<u>387,710</u>
Balance at 31 December 2021	<u><u>3,059,867</u></u>	<u><u>7,430,000</u></u>	<u><u>10,489,867</u></u>

	Retained Earnings	Reserves	Total Equity
	\$	\$	\$
Balance at 1 January 2020	1,792,489	7,430,000	9,222,489
Net Profit for the year	879,668	-	879,668
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	<u>879,668</u>	<u>-</u>	<u>879,668</u>
Balance at 31 December 2020	<u><u>2,672,157</u></u>	<u><u>7,430,000</u></u>	<u><u>10,102,157</u></u>

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of Section 60.40 of the Australian Charities and Not-For-Profits Commission Regulation 2013 (ACNC Regulation) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and University of Western Australia Act 1911. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

(b) Property, plant and equipment

Buildings occupancy and usage rights are stated at deemed cost less accumulated depreciation. This is upon the advice of the University of Western Australia recognised on the change of ownership status of Guild Village building in 2013.

Leasehold Improvements are measured at cost less accumulated depreciation .

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Building & Usage Rights	20 years
Leasehold Improvements	40 years
Computers	3 years
Motor Vehicles	5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**GUILD OF UNDERGRADUATES
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Impairment losses are recognised in the Statement of Profit or Loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss in the period the item is derecognised.

(c) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(d) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(e) Recoverable amount of assets

At each reporting date, the Guild assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Guild makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(f) Financial Assets

Financial Assets are allocated into two investment pools with The University of Western Australia. These Pools are referred to as Short Term or Long Term Pools. These investments, which form part of the University's investment portfolio, are classified as at fair value through profit or loss ('FVTPL'); where the fair value is determined to be market value applicable at reporting date. Interest income or expenses from changes in net market value are brought to account in the Statement of Profit or Loss in the period in which they occur.

**GUILD OF UNDERGRADUATES
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FOR THE YEAR ENDED 31 DECEMBER 2021**

(g) Inventories

Inventories are valued 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:

- Raw materials: purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

The Guild uses the simplified model for determining the impairment of trade receivables, under the lifetime expected credit loss ("ECL") model. The Guild writes off a trade receivable where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

(i) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cashflows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cashflows.

(j) Provisions

Provisions are recognised when the Guild has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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Where the Guild expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Leases

Guild as lessee

The Guild assesses whether a contract is or contains a lease, at inception of the contract. The Guild recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Guild recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Guild uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- 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
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Guild applies AASB 136 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Guild as lessor

The Guild enters into lease agreements as a lessor with respect to buildings at Guild Village.

Leases for which the Guild is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(l) Revenue

Revenue is measured based on the consideration to which the Guild expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Guild recognises revenue when it transfers control of a product or service to a customer.

Sale of Goods

Revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods that is, at the time of delivery of the goods to the customer. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Interest

Revenue is recognised as the interest accrues.

Student Services and Amenities fee

The Guild is entitled to 50% of SSAF fees from UWA. Revenue is recognised over time and is measured based on the consideration and which the Guild expects to be entitled in the service level agreement with UWA.

Rebate Income

Rebate Income pertains to income received from third party suppliers based on the quantity of the suppliers' products that have been sold by the Guild of Undergraduates. Rebate income is recognised in the period in which related products have been sold and the transfer of control of the products have been passed to the buyer. Transfer of control is considered passed to the buyer at the time of delivery of the products to the customer.

**GUILD OF UNDERGRADUATES
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Other Income

Other income comprises all remaining sources of income for the Guild of Undergraduates and includes advertising income, event income and grant income government grants.

- Income from advertising and events is recognised in the period in which the service or goods have been delivered.

Government grants

During the previous year, the Guild became eligible for certain government support in response to the coronavirus pandemic, as explained in Note 2b. The Guild's accounting policy for government grants is explained below. Government grants are not recognised until there is reasonable assurance that the Guild will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Guild recognises as expenses the related costs for which the grants are intended to compensate. Specifically, wage subsidies received under the JobKeeper scheme are presented as other income in profit or loss. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Guild with no future related costs are recognised in profit or loss in the period in which they become receivable.

(m) Income Tax

The Guild of Undergraduates, University of Western Australia is an income tax-exempt

(n) Going Concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The members of the Guild Council consider the going concern basis to be appropriate for the following reasons;

- There are accessible cash reserves in the UWA Investment pool; and
- In October 2011, the Higher Education Legislation Amendment (Student Services and Amenities) Bill was passed. This legislation makes Student Services and Amenities Fees (SSAF) compulsory for enrolled students and The Guild is entitled to 50% of the SSAF collected from students. The Guild expects to receive its entitlement for the year ended 31 December 2022 (subject to Guild performance under the Service Level Agreement between the University and Guild).

The Guild continues to be reliant on SSAF fees from the University. In addition, the funds available in the UWA Investment pool is sufficient to allow the Guild to continue operations for the next 12 months of this report.

**GUILD OF UNDERGRADUATES
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(o) Critical accounting estimates and judgements

In the application of the Guild's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key areas of estimates and judgements used in preparation of the financial report:

Useful lives of property, plant and equipment

The Guild reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

(p) Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Guild has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Guild's financial statements for the annual period beginning 1 January 2021. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2
- AASB 2020-4 *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*

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New and revised Accounting Standards issued but not yet effective and not been adopted early by the Guild

The Guild has not early adopted any of the following standards, interpretation or amendment that has been issued but is not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
<i>AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current - Deferral of Effective Date</i>	1 January 2023
<i>AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022
<i>AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023

The Guild is in the process of assessing the impact on the adoption of these standards and interpretations.

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
2. REVENUES AND EXPENSES		
a) Finance Income		
Interest income on investments	710,886	172,711
Other interest income	<u>240</u>	<u>1,325</u>
	<u>711,126</u>	<u>174,036</u>
b) Other Income		
Advertising income	24,705	30,005
Orientation day income	77,850	97,371
Jobkeeper	326,850	1,849,050
Cash Flow Boost	-	100,000
Other	<u>443,960</u>	<u>342,092</u>
	<u>873,365</u>	<u>2,418,518</u>
<p>The Guild has benefited from the following significant government support packages as a result of COVID-19 during the period:</p> <ul style="list-style-type: none"> • Jobkeeper Scheme - Due to the impact of COVID-19 on the Guilds' turnover, government subsidies of \$326,850 (2020: \$1.8 million) were received under the Australian Federal Government's JobKeeper scheme. The Guild became eligible for the Scheme from its inception in March 2020 and expects to continue receiving payments under the Scheme until its currently scheduled completion on 28 March 2021. The amounts were paid to employees in line with government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve. The amounts received have been recognised as other income in the statement of profit or loss. • Cash flow boost - the Guild received additional cash flow support of \$100,000 in 2020 as a measure put in place by government to provide temporary support to not-for-profit (NFP) organisations that employed staff during the economic downturn associated with COVID-19. 		
c) Administrative Expenses		
Depreciation	514,540	526,219
Activities	799,278	685,628
Other	<u>1,272,723</u>	<u>1,052,328</u>
	<u>2,586,541</u>	<u>2,264,175</u>
d) Employee benefits expense		
Salaries and wages	4,088,547	3,937,611
Workers compensation costs	51,656	40,561
Superannuation costs	530,395	439,268
Employee leave costs	331,287	388,683
Other	-	-
	<u>5,001,885</u>	<u>4,806,123</u>
e) Rebate Income		
Catering rebates	<u>22,799</u>	<u>25,611</u>
	<u>22,799</u>	<u>25,611</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	\$	\$
3. TRADE AND OTHER RECEIVABLES		
Trade debtors	262,676	170,575
Less: Expected credit loss allowance	(52,213)	(60,755)
	<u>210,463</u>	<u>109,820</u>
Lease receivable accrued income	360,786	252,080
Sundry Debtors	40,990	572,559
Prepayments	134,223	121,584
	<u>535,999</u>	<u>946,223</u>
	<u>746,462</u>	<u>1,056,043</u>

Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. The Guild uses the simplified model for determining the impairment of trade receivables, under the lifetime expected credit loss ("ECL") model. In determining lifetime ECL, the Guild considers historical factors such as the probability of default of the individual debtors, the magnitude of the resultant loss, and the Guild's exposure at default. These are adjusted for forward looking assumptions and information regarding expected future conditions affecting historical customer default rates and consideration against a provision matrix based on various ageing profiles and probability of collection.

Movements in the provision for impairment loss were as follows:

	2021	2020
	\$	\$
As 1 January	60,755	53,104
Impairment (Recovery)/ Losses recognised on receivables	(8,543)	7,651
Amounts used during the period	-	-
At 31 December	<u>52,212</u>	<u>60,755</u>

At 31 December, the ageing analysis of trade receivables is as follows:

	Total	0-29	30-59	60-89	90 Days +
	\$	\$	\$	\$ PDNI*	\$ PDNI*
2021	262,676	69,013	51,003	26,516	116,144
2020	170,575	49,251	23,156	16,494	81,674

*Past due not impaired ('PDNI')

Receivables past due but not considered impaired are \$142,660 (2020: \$98,168). After year-end, an amount of \$98,821 has been received. Of the total outstanding amount, an amount of \$52,213 has been provided for as a bad debt at year end, this pertains to 365 Days + trade receivables and overdrawn Guild affiliated club balances. Payment terms on the remaining amounts considered recoverable have not been re-negotiated however credit has been stopped until full payment is made.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

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	2021	2020
	\$	\$
4. INVENTORIES		
Finished Goods - At Cost	<u>125,853</u>	<u>68,595</u>
5. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS		
Buildings and Usage Rights		
Guild Village Occupancy & Usage Rights - At Deemed Cost	2,563,735	2,563,735
Accumulated Depreciation	<u>(1,023,680)</u>	<u>(895,493)</u>
Total Building Rights	<u>1,540,055</u>	<u>1,668,242</u>
Building and Leasehold Improvements		
Hackett Hall Extension - At Cost	95,926	95,926
Improvements on Leasehold - At Cost	4,234,379	4,100,852
Work in Progress	<u>78,177</u>	<u>142,072</u>
	4,408,482	4,338,850
Accumulated Depreciation	<u>(545,422)</u>	<u>(438,349)</u>
Total Building and Leasehold Improvements	<u>3,863,060</u>	<u>3,900,501</u>
Plant and Equipment		
Plant and Equipment - At Cost	3,268,421	3,105,643
Work in Progress	<u>-</u>	<u>-</u>
	3,268,421	3,105,643
Accumulated Depreciation	<u>(2,788,438)</u>	<u>(2,605,803)</u>
Total Plant and Equipment	<u>479,983</u>	<u>499,840</u>
Total Property, Plant & Equipment	<u>5,883,098</u>	<u>6,068,583</u>
Intangible Assets		
Intangible Assets - At Cost	301,298	294,298
Work in Progress	<u>-</u>	<u>-</u>
	301,298	294,298
Accumulated Depreciation	<u>(279,821)</u>	<u>(213,367)</u>
Total Intangible Assets	<u>21,477</u>	<u>80,931</u>
Total Property, Plant, Equipment and Intangible Assets	<u>5,904,575</u>	<u>6,149,514</u>

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Movements in Carrying Amounts

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

Movements during the year	Buildings and Usage Rights	Building and Leasehold Improvements	Plant and Equipment	Intangible Assets	Total
	2021	2021	2021	2021	2021
	\$	\$	\$	\$	\$
Beginning of the year	1,668,242	3,900,501	499,840	80,931	6,149,514
Additions	-	69,632	172,070	7,000	248,702
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Depreciation Expense	(128,187)	(107,073)	(191,927)	(66,454)	(493,641)
End of the year	<u>1,540,055</u>	<u>3,863,060</u>	<u>479,983</u>	<u>21,477</u>	<u>5,904,575</u>

Movements during the year	Buildings and Usage Rights	Building and Leasehold Improvements	Plant and Equipment	Intangible Assets	Total
	2020	2020	2020	2020	2020
	\$	\$	\$	\$	\$
Beginning of the year	1,796,429	3,830,657	627,245	150,858	6,405,189
Additions	-	163,893	115,309	-	279,202
Disposals	-	-	(17,106)	-	(17,106)
Transfers	-	-	-	-	-
Depreciation Expense	(128,187)	(94,049)	(225,608)	(69,927)	(517,771)
End of the year	<u>1,668,242</u>	<u>3,900,501</u>	<u>499,840</u>	<u>80,931</u>	<u>6,149,514</u>

Buildings on land owned by The University of Western Australia represent contribution by the Guild to the cost of buildings and improvements on land which the Guild has no equity.

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6. RIGHT-OF-USE ASSETS

The Guild leases one asset in year 2021, the lease term is 3 years. The Guild has to purchase the asset at the end of the lease term. The Guild's obligations are secured by the lessors' title to the leased assets for such leases.

	2021	2020
	\$	\$
Cost		
As December 31, 2020	63,264	-
Additions	-	63,264
As December 31, 2021	<u>63,264</u>	<u>63,264</u>
Accumulated Depreciation		
As December 31, 2020	(8,449)	-
Depreciation expense	<u>(20,899)</u>	<u>(8,449)</u>
As December 31, 2021	<u>(29,348)</u>	<u>(8,449)</u>
Carrying Amount	<u>33,916</u>	<u>54,815</u>

Amounts recognised in profit and loss:

Depreciation expense on right-of-use asset	20,899	8,449
Interest expense on lease liabilities	2,127	1,115

7. OTHER FINANCIAL ASSETS

	Note		
CURRENT			
Investment in The University of Western Australia Investments Pools	1(f)	3,241,940	2,306,054
Term Deposit		20,000	20,000
Total Current Investment		<u>3,261,940</u>	<u>2,326,054</u>
NON-CURRENT			
Investment in The University of Western Australia Investments Pools	1(f)	<u>2,000,000</u>	<u>2,000,000</u>

The Investment pool has the following investment mix (as a proportion of 100%) :- Australian Equities - 22%, International Equities - 28%, Property - 10%, Global Infrastructure - 10%, Emerging Markets Equity - 5%, Private Equity - 10%, Private Debt - 5%, Global Credit -4%, Bond- 2%, Australian Inflation Plus- 3% and Cash 1%.

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	2021	2020
	\$	\$
8. TRADE AND OTHER PAYABLES - CURRENT		
Trade Creditors	150,285	158,465
Other Creditors and Accruals	462,910	513,398
	<u>613,195</u>	<u>671,863</u>
Guild Affiliated Clubs and Societies	631,809	606,496
	<u>631,809</u>	<u>606,496</u>
	<u>1,245,004</u>	<u>1,278,359</u>
9. PROVISIONS		
CURRENT		
Provision for annual leave	261,024	201,079
Oncosts associated with annual leave	42,603	31,589
Provision for long service leave	184,518	158,286
Oncosts associated with long service leave	28,620	23,624
Provision for supplementary payment	56,612	44,919
Time off in lieu and special leave	51,265	43,233
Total Current Provisions	<u>624,642</u>	<u>502,730</u>
NON-CURRENT		
Provision for long service leave	64,557	77,679
Oncosts associated with long service leave	10,561	11,151
Total Non-Current Provisions	<u>75,118</u>	<u>88,830</u>
10. PAYABLES - NON-CURRENT		
Cruickshank Routley Prize Fund	11,250	11,000
Lillian Harris Fund	10,000	10,000
Bengt Annell Award Fund	2,200	2,200
Uni Camp For Kids	59,815	59,222
Prosh Charity	22,930	25,484
Total Non-Current Payables	<u>106,195</u>	<u>107,906</u>

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	2021	2020
	\$	\$
11. RETAINED EARNINGS		
Balance at start of financial year	2,672,157	1,792,489
Net Profit for the year	387,710	879,668
Balance at end of financial year	<u>3,059,867</u>	<u>2,672,157</u>

12. RESERVES

(a) General Reserve	7,430,000	7,430,000
	<u>7,430,000</u>	<u>7,430,000</u>

(b) Nature and purpose of reserves:

The General Reserve pertains to the surplus arising from prior years' operations.

13. NOTES TO THE STATEMENT OF CASH FLOWS

	2021	2020
	\$	\$
(a) Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and Cash Equivalents	<u>516,561</u>	<u>483,085</u>
(b) Reconciliation of Operating Profit to Net Cash provided by Operating Activities		
Operating Profit / (Loss)	387,710	879,668
Depreciation	514,540	526,220
(Gain)/Loss on Disposal of Plant and Equipment	-	(909)
Lease payment accrual	(9,642)	(5,140)
Interest income from Investments	(710,886)	(172,711)
Changes in Assets and Liabilities: -		
(Increase)/decrease in Trade debtors	(100,643)	7,052
(Increase)/decrease in Prepayments and Other debtors	410,224	(664,122)
Decrease in Inventories	(57,258)	(5,114)
(Decrease)/increase in Trade and other payables	(33,355)	(273,729)
(Decrease)/increase in Provisions	108,200	122,949
	<u>508,890</u>	<u>414,164</u>

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	2021	2020
14. AUDITORS' REMUNERATION	\$	\$
Deloitte Touche Tohmatsu		
Audit of financial report	<u>27,000</u>	<u>23,850</u>

15. SEGMENT INFORMATION

The Guild of Undergraduates, University of Western Australia operates within one industry segment being the provision of services to students. All operations are within Australia.

16. REMUNERATION OF GUILD EXECUTIVE AND DIRECTORS

Remuneration of Guild Executive reflects only remuneration paid to the Guild President; remuneration of Guild Directors refers to the Managing Director and the Finance Director. No other member of the Guild Executive receive any remuneration. The members of the Guild Executive are elected on an annual basis to serve on Guild Executive, which is responsible for the day to day decision making of the Guild of Undergraduates, University of Western Australia. The term of office begins on 1 December each year, and consequently there are two groups of Guild Executive during each financial year.

	2021	2020
	\$	\$
The total fees, salaries and other benefits received or due and receivable by Guild Executive and Guild Directors for the financial year:	<u>426,922</u>	<u>363,965</u>

The number of members of Guild Management whose total fees and salaries and other benefits received or due and receivable (excluding superannuation) for the financial year, falls within the following bands:

	2021	2020
\$0 - \$ 9,999	1	1
\$30,000 - \$39,999	1	1
\$130,000 - \$139,999	1	1
\$190,000 - \$199,999	0	1
\$240,000 - \$250,000	1	0

	2021	2020
17. SUPERANNUATION FUND CONTRIBUTION OF GUILD EXECUTIVES AND GUILD DIRECTORS	\$	\$

In respect of members of Guild Executive and the Guild Directors, the following contributions were paid or became payable for the financial year.

Contributions to superannuation funds:	<u>72,929</u>	<u>58,183</u>
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**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Guild's principal financial instruments comprise receivables, payables, cash and cash equivalents and investments.

The Guild manages its exposure to key financial risks, including interest rate risk in accordance with the Guild's financial risk management policy. The objective of the policy is to support the delivery of the Guild's financial targets whilst protecting future financial security.

The following table combines information about:

- classes of financial instruments based on their nature and characteristics; and
- the carrying amounts of financial instruments.

Carrying Value					
	Financial Assets		Financial Liabilities		Total
	FVTPL- mandatorily measured	Amortised Cost	FVTPL- mandatorily measured	Amortised Cost	
December 31, 2021					
Cash and Bank Balances	-	516,561	-	-	516,561
Trade and Other Receivables	-	746,462	-	-	746,462
Investments	5,261,940	-	-	-	5,261,940
Trade and Other Payables	-	-	-	(1,267,934)	(1,267,934)
Interest Bearing Funds	-	-	-	(83,265)	(83,265)
Total	5,261,940	1,263,023	-	(1,351,199)	5,173,764

	Financial Assets		Financial Liabilities		Total
	FVTPL- mandatorily measured	Amortised Cost	FVTPL- mandatorily measured	Amortised Cost	
December 31, 2020					
Cash and Bank Balances	-	483,085	-	-	483,085
Trade and Other Receivables	-	1,056,043	-	-	1,056,043
Investments	4,326,054	-	-	-	4,326,054
Trade and Other Payables	-	-	-	(1,303,843)	(1,303,843)
Interest Bearing Funds	-	-	-	(82,422)	(82,422)
Total	4,326,054	1,539,128	-	(1,386,265)	4,478,917

The main risks arising from the Guild's financial instruments are interest rate risk, price risk, credit risk and liquidity risk. The Guild uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and assessments of market forecasts for interest rate. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Strategic Resources Committee reviews and agrees on policies for managing each of these risks as summarised below.

**GUILD OF UNDERGRADUATES
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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Primary responsibility for identification and control of financial risks rests with the Strategic Resources Committee under the authority of the Guild Council. The Strategic Resources Committee reviews and agrees on policies for managing each of the risks identified below, including the setting of limits for cash and short term deposits, credit allowances and future cash flow forecast projections.

Risk Exposures and Responses

Interest rate risk

The Guild's exposure to market interest relates primarily to the Guild's short term cash deposit at bank and interest bearing loans.

At balance date, the Guild had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	516,561	483,085
	516,561	483,085
Financial liabilities		
Trusts - Interest bearing	83,265	82,422
Lease Liabilities	48,481	58,124
	131,746	140,546
Net exposure	384,815	342,539

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date:

At 31 December 2021, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit would have been affected as follows:

Judgements of reasonably possible	Profit Higher/(Lower)	
Movements:		
	2021	2020
	\$	\$
+2%	7,696	6,851
-2%	(7,696)	(6,851)

Credit risk

Credit risk arises from the financial assets of the Guild, which comprise cash and cash equivalents and trade and other receivables. The Guild's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

**GUILD OF UNDERGRADUATES
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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Guild trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Guild's policy to securitise its trade and other receivables.

It is the Guild's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Finance Committee. These risk limits are regularly monitored. In addition receivables, balances are monitored on an ongoing basis with the result that the Guild's exposure to bad debts is not significant.

There are no significant concentration of credit risk within the Guild and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

For trade receivables, the Guild has applied the simplified approach in AASB 9 to measure the loss allowance at lifetime ECL. The Guild determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 3 include further details on the loss allowance for trade receivables.

The carrying amount of the Guild's financial assets at amortised cost as disclosed in note 3 best represents their respective maximum exposure to credit risk. The Guild holds no collateral over any of these balances.

Price risk

Equity price risk arises from the Guild's investment mix of equities and various financial instruments in an investment pool managed by UWA Financial Services. These funds are held for addressing any shortfall when they arise. The UWA Financial Services monitors the mix of equity securities in its investment portfolio based on market indices and has strict policies on the proportion of investment mixes that must be followed by investment managers. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the UWA Financial Services.

The primary goal of the UWA's investment strategy is to maximise investment returns for the UWA Guild. In accordance with this strategy certain investments are designated at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

The Guild's investment pools subject to price risk are listed in the Australian and Overseas Stock Exchanges, and Property Trusts.

**GUILD OF UNDERGRADUATES
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FOR THE YEAR ENDED 31 DECEMBER 2021**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

At reporting date, the Guild had the following financial assets exposed to equity price risks that are not designated in cash flow hedges:

	2021	2020
	\$	\$
Financial Assets		
Equity investments	5,241,940	4,306,054
Net exposure	<u>5,241,940</u>	<u>4,306,054</u>

The following sensitivity analysis is based on the price risk exposures in existence at the reporting date:

At 31 December 2021, if movements occur on the stock market, as illustrated in the table below, with all other variables held constant, profit would have been affected as follows:

Judgements of reasonably possible Profit Higher/(Lower)

Movements:

	2021	2020
	\$	\$
+15%	786,291	645,908
-15%	(786,291)	(645,908)

Liquidity risk

The Guild's objective is to maintain a balance between continuity of funding and flexibility through the use of its investment pools.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayment and interest resulting from recognised financial assets. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 31 December 2021.

The remaining contractual maturities of the Guild's financial liabilities are:

	2021	2020
	\$	\$
6 months or less	83,265	82,422

Maturity analysis of financial assets and liability based on management's expectation.

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital e.g. inventories and trade receivables. These assets are considered in the Guild's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective control of future risks, the Guild has established comprehensive risk reporting covering its business units that reflects expectations of management with regards to the expected settlement of financial assets and liabilities.

**GUILD OF UNDERGRADUATES
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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

	≤6 mths	6-12mths	1-5 years	>5 years	Total
	\$	\$	\$	\$	\$
Year ended 31 December 2021					
Financial Assets					
Cash & cash equivalents	516,561	-	-	-	516,561
Investments	3,261,940	-	-	2,000,000	5,261,940
Trade & other receivables	746,462	-	-	-	746,462
	<u>4,524,963</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>6,524,963</u>
Financial Liabilities					
Trade & other payables	636,125	631,809	-	-	1,267,934
Interest bearing trust funds	83,265	-	-	-	83,265
Lease Liabilities	6,592	6,591	35,298	-	48,481
	<u>725,982</u>	<u>638,400</u>	<u>35,298</u>	<u>-</u>	<u>1,399,680</u>
Net maturity	<u>3,798,981</u>	<u>(638,400)</u>	<u>(35,298)</u>	<u>2,000,000</u>	<u>5,125,283</u>
Year ended 31 December 2020					
Financial Assets					
Cash & cash equivalents	483,085	-	-	-	483,085
Investments	2,326,054	-	-	2,000,000	4,326,054
Trade & other receivables	1,056,043	-	-	-	1,056,043
	<u>3,865,182</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>5,865,182</u>
Financial Liabilities					
Trade & other payables	697,347	606,496	-	-	1,303,843
Interest bearing trust funds	82,422	-	-	-	82,422
Lease Liabilities	7,065	7,064	43,995	-	58,124
	<u>786,834</u>	<u>613,560</u>	<u>43,995</u>	<u>-</u>	<u>1,444,389</u>
Net maturity	<u>3,078,348</u>	<u>(606,496)</u>	<u>(43,995)</u>	<u>2,000,000</u>	<u>4,420,793</u>

Fair value

Fair value for the financial instruments is considered to be equal to the carrying amounts in the Financial Statements.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The financial assets and liabilities of the Guild are classified into these categories below:

Fair value hierarchy - 2021	Level 1	Level 2	Level 3	Total
Investment pools	-	5,241,940	-	5,241,940
Total	-	5,241,940	-	5,241,940

Fair value hierarchy - 2020	Level 1	Level 2	Level 3	Total
Investment pools	-	4,306,054	-	4,306,054
Total	-	4,306,054	-	4,306,054

There has been no transfers between Level 1 and Level 2 during the current and prior year.

Valuation techniques used to determine fair values

Other financial assets

Other financial assets are recorded at the redemption value as reported by the investment managers of The University of Western Australia Investments pools. The Fund may make adjustments to the value based on considerations such as; liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

19. INCORPORATION

The Guild of Undergraduates, University of Western Australia is an incorporated body under The University of Western Australia Act of 1911, and is domiciled in Australia.

20. REGISTERED OFFICE

The registered office and principal place of business is 35 Stirling Highway, Crawley, Western Australia 6009.

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. PRINCIPAL ACTIVITIES

The principal activities of the Guild of Undergraduates, University of Western Australia during the year have comprised of:

- a) The provision of representation to UWA students and to the wider community on educational, social and community issues on and off campus;
- b) The provision, facilitation, coordination and promotion of activities that would create a vibrant and progressive atmosphere on UWA campus;
- c) The provision of information and support services to students so that they may have access to experienced advocates to work on their behalf; and
- d) The provision of services in the areas of catering and sale of second hand books to students on

22. CONTINGENCIES

In the opinion of management, the Guild as at 31 December 2021 did not have any significant contingent liabilities (2020: Nil)

23. EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance occurring subsequent to the end of financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**GUILD OF UNDERGRADUATES
THE UNIVERSITY OF WESTERN AUSTRALIA
STATEMENT BY PRESIDENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

In the opinion of the President and on behalf of the members of the Guild Council:

- a) The accompanying Statement of Profit or Loss and Other Comprehensive Income is drawn up so as to give a true and fair view of the result of the Guild of Undergraduates, University of Western Australia for the year ended 31 December 2021;
- b) The accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Guild of Undergraduates, University of Western Australia as at that date;
- c) At the date of this statement there are reasonable grounds to believe that the Guild of Undergraduates, University of Western Australia will be able to pay its debts as and when they fall due.
- d) The Financial Statements and Notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with a resolution of the Guild Council and subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Amitabh Jeganathan, Guild President
This day, 28th of April, 2022 at Crawley



Narendra Gammanpila, Guild General Secretary
This day, 28th of April, 2022 at Crawley

Independent Auditor's Report to the members of the Guild Council Guild of Undergraduates of the University of Western Australia

Opinion

We have audited the financial report of Guild of Undergraduates of the University of Western Australia (the "Guild") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the President.

In our opinion, the accompanying financial report of the Guild is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act)* including:

- (i) giving a true and fair view of the Guild's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards, Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *University of WA Act 1911*.

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 auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Council members are responsible for the other information. The other information comprises the information included in the Guild's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Council members for the Financial Report

Council members of the Guild are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the ACNC Act and the *University of WA Act 1911*, and for such internal control as Council members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council members are responsible for assessing the ability of the Guild to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council members either intend to liquidate the Guild or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Guild's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council members.
- Conclude on the appropriateness of Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Guild's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Guild to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Nicole Menezes

Nicole Menezes
Partner
Chartered Accountants
Perth, 28 April 2022

Guild Council
Guild of Undergraduates, The University of Western Australia
M300, 35 Stirling Highway
CRAWLEY WA 6009

28 April 2022

Dear Council Members,

Auditor's Independence Declaration to Guild of Undergraduates of the University of Western Australia

In accordance with section subdivision 60C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Council members of the Guild of Undergraduates of the University of Western Australia.

As lead audit partner for the audit of the financial report of the Guild of Undergraduates of the University of Western Australia for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Subdivision 60C 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.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Nicole Menezes
Partner
Chartered Accountant