

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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INDEX

Directors' Report

Auditor's Independence Declaration

Directors' Declaration

Statement of Profit or Loss and Other Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Independent Auditor's Report

Compilation Report

Detailed Statements of Income and Expenditure by Category

DIRECTORS' REPORT

Your Directors submit the financial report of the Australian University Sport Limited for the financial year ended 31 December 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr D Anderson	Mr A Fisher (<i>resigned 17 May 2017</i>)
Mr D Schmude	Prof R Hoye (<i>appointed 17 May 2017</i>)
Ms E Morgan-Brett (<i>resigned 17 May 2017</i>)	Mr D Knapp
Prof T Brailsford	Mr C Massey (<i>appointed 17 May 2017</i>)
Mr M Daws	Mr P McGrath
Mr M Doulton	Ms S Richardson

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the company during the financial year were to provide peak body representation; strategic planning and coordination of university sport in Australia, including event management and assistance to university sporting teams.

Short-term and Long-term Objectives

The short-term objectives of the company are to:

- Improve sport outcomes for the sector through: growing and improving the quality of participation in regional games; controlling the participation levels and sport quality of the national games; extending and consolidating the envisioned event participation pathway.
- Continue to build sector-wide resilience and sustainability through enhancing communications, professional development, knowledge management and shared best practice to deliver quality benefits and services to our end consumer - the university students of Australia.
- Build a stronger strategic partnership with the Australian Sports Commission to show where university sport can contribute to the national sport system through aligning the aims of higher education and health through sport and activity.

The long-term objectives of the company are to:

- Provide effective leadership to the sector.
- Deliver essential services to members and participants enabling the connection of external stakeholders with the university sport sector.
- Impart a 'healthy body - healthy mind' message to the students enrolled in Australian universities
- Encourage fair play and the spirit of doing one's best knowing and promoting that the pursuit of academic and sporting aspirations are complementary components of the university experience.
- Value the importance of the people involved in the promotion and delivery of sport across the tertiary sector.
- Embody a culture of openness and transparency.

Strategies

To achieve these objectives, the company has adopted the following strategies:

- Consultative strategic planning, implementation and review processes.
- Maintenance of regular, open and transparent reporting and communication channels with members.
- Nationally coordinated programs with a vision shared by AUS, members and student participants.
- Responsible corporate citizenship adopting globally relevant policies such as risk management, member protection, anti-doping and environmentally friendly operating procedures.

Key Performance Measures

The company measures its own performance through the use of a variety of qualitative success measures in the areas of

- Growth and sustainability
- AUS & ASC/AIS Strategic Partnerships
- AUS & NSO Strategic Partnerships
- Improving sport outcomes through events
- Member services
- Business development
- Health promotion and
- Financial performance

These success measures are used by the directors to assess whether the company's short-term and long-term objectives are being achieved.

DIRECTORS' REPORT (cont)

Review of Operations

The profit of the company for the financial year amounted to \$66,010 (2016: \$58,545 deficit). We note that the High-Performance Program World Summer & Winter Games and the Australian Masters Games are held biennially. This results in significantly increased revenue and costs accordingly.

Information on Directors

Dr Deidre Anderson
Qualifications

Chair

PhD -Master of Arts - Lifeskill Intervention & Sports Performance (Macquarie University)
Published Works Victoria University
Postgraduate Diploma (Social Science) La Trobe University
Postgraduate Certificate (Athlete Counselling) Australian Institute of Sport
Bachelor of Arts (Sports Management) Victoria University

Experience

Deidre is currently the Director of the Performance and Transition Institute (PTI). She has been the Deputy Vice-Chancellor, Students and Registrar at Macquarie University in Sydney and has held senior sports executive positions at both an international and national level and her contribution to elite sport has been acknowledged worldwide.

She is published widely in the areas of coaching and career transition in sport and has a lifelong commitment to supporting the development of young people.

David Schmude
Qualifications

Deputy Chair

Master of International Sport Management (Southern Cross University)

Experience

David has broad experience in sports management and marketing at both a national and regional level. He is currently the Chief Executive Officer of UNE Life at the University of New England in Armidale.

David has a proven track record in widening the influence of sport in the community and the corporate sector, as a basis for improving sport-based services to students and enhancing the profile of university sport. This has often involved forging university partnerships with external organisations, such as the NSW Rugby League and a number of state and regional sporting organisations.

He shares a strong commitment to the aims of UniSport to foster university sport as a significant part of university life and represent the sporting needs of university students in the broader spheres of government decision-making.

David has shown a capacity for policy initiatives in his own institution that enhance the place and potential of sport in a university setting. He has given particular attention to the special needs of students in a regionally located university that typically combines an on-campus residential population with externally enrolled students living in various cities and regions.

Elizabeth Morgan-Brett
Qualifications

Deputy Chair (resigned May 2017)

Executive MBA (2010) Masters in Legal Studies (Continuing)

Experience

Liz currently holds the position of CEO at the University of Technology Sydney (UTS). Liz has been employed by ActivateUTS since July 2006 and in 2012 was appointed to the role of CEO. Liz has a strong belief that ActivateUTS has a critical role in the development of students who are work ready, well rounded global citizens. Through the delivery of co-curricular programs provided by ActivateUTS including sport and recreation; clubs and societies; social and cultural events and health and well-being activities, students enhance key graduate attributes that are highly valued by industry.

Liz also oversees the commercial activities of the organisation including the operation of bars, eateries, fitness centres a licensed NSW Club and the Aerial UTS Function Centre. Having a background in professional sport (2000 Olympian) Liz has enjoyed her time working with the AUS Board and its members.

DIRECTORS' REPORT (cont)

Information on Directors (cont)

**Professor Tim Brailsford
Qualifications**

Universities Australia Director

BEd (Hons), MEd, PhD (Monash), SF Fin, FCPA, FAIM

Experience

Professor Brailsford is the Vice Chancellor and President of Bond University, appointed from January 2012. Located on the Gold Coast, Bond University is Australia's first independent, private non-profit University. Professor Brailsford's previous appointments include executive, dean and senior management positions at the University of Queensland, Australian National University and the University of Melbourne.

He holds PhD, Master and Honours degrees and is a Senior Fellow of the Financial Services Institute of Australasia, Fellow of the Australian Institute of Management and Fellow of CPA Australia. Professor Brailsford has been involved with sport for several decades in various capacities. He has recently served on the Board of the Queensland Rugby Union (Reds Rugby) and carries coaching qualifications in cricket and is a qualified rugby referee. In 2011, he was awarded a Life Member of the Kenmore & Districts Rugby Club

**Mike Daws
Qualifications**

Director

BSc (Hons), Dip Ed

Experience

Mike is currently the Director of Sport at The University of Adelaide. Mike has been a full time sports administrator for over 30 years, holding senior positions at State and National level in sports development, marketing, facility development and event/team management in Tennis, Basketball, AFL football, University Sport and at the Olympics in Atlanta, Sydney and Athens.

**Martin Doulton
Qualifications**

Director

Higher National Diploma in Management / Diploma in Recreation Business Studies - College of St Pauls and St Marys now the University of Gloucester (1983)
Master of Management - Monash University (2005)

Experience

Martin has a wide range of experiences gleaned over 30 plus years of involvement in the sports and leisure industry. He played sport at a professional level and also has the experience of international university sporting representation in two sports. His work experiences have ranged from organising inner city sport in the UK to delivering sports programs across Australia, Oceania, Africa and Asia.

Martin has been a senior manager at Monash University since 2002 and is currently Director of Team MONASH. He has served as the Australian University Sport representative to FISU Oceania (the Continental University Sports Federation) since 2010 and was elected as President FISU Oceania for the 2014-18 term. Since 2011 Martin has also been the FISU Oceania representative on the Executive Committee of FISU the world governing body for university sport and has just been reappointed for the 2015-19 mandate period (term of office).

Adrian Fisher

Director (resigned May 2017)

Experience

Adrian has over 20 years of experience in the management and coordination of resources and facilities in the sports management industry and is currently the Manager of Sport and Recreation at Murdoch University.

With significant experience with marketing, promotions and communications with and through digital platforms and being hands on in designing and creating a number of mobile phone apps and websites for Murdoch Sports, Adrian has a demonstrated understanding and applied knowledge of social media.

DIRECTORS' REPORT (cont)

Information on Directors (cont)

**Prof Russell Hoye
Qualifications**

Director (elected May 2017)

PhD (Griffith University)
MPPM (Monash University)
MEnvSt (The University of Melbourne)
BA - Recreation (Victoria University of Technology)

Experience

Professor Hoye brings detailed knowledge of community and elite sport from his two-decade long research and consulting background, along with current experience managing La Trobe University relationships with a variety of state and national sporting organisations. He has been Director of La Trobe Sport since January 2013 and has overseen the development and implementation of a university wide strategy for sport and a significant restructure process. His role has oversight of all campus sport experiences, UniSport participation opportunities, university clubs, commercial partnerships, elite athlete support, and sport infrastructure, curriculum, and research.

He is a widely published author and sought after conference speaker in Australia and internationally.

**Christopher Massey
Qualifications**

Director (elected May 2017)

EdD (continuing)
MEd, BPhysEd, DipEd (The University of Western Australia)
MBA, GradDipMgmt (Edith Cowan University)
GAICD

Experience

Chris brings 28 years' education sector experience encompassing tertiary and secondary teaching, physical education, and management of an educational self-esteem program in Australia and Singapore. Chris is currently the Director (and Equity and Diversity Advisor) of UWA Student Life, aimed at improving the UWA student experience. His portfolio includes oversight of UWA Sport, the Student Accommodation Office, Health Promotion Unit, Medical Centre, and Early Learning Centres. He is also Deputy Chair of the UWA Critical Incident Team.

Chris is passionate about the value sport offers in the education sector, which includes participation and opportunities for engagement in volunteering, management and leadership activity. He believes sport is a sound investment from the graduate, employer and universities perspectives, and that the value of sport needs to be communicated and promoted in universities to all who have a role in preparing graduates for employment.

**Don Knapp
Qualifications**

Director (Ex-Officio) & CEO of Australian University Sport

BSc, BEd, Teacher's Higher Certificate, MSc Research (continuing)

Experience

Don's professional background includes 15 years in education, and 20 years in sports management. After 10 years of secondary teaching experience, Don spent his last 5 years in education as the Senior Curriculum Policy Advisor for Health and Vocational Education K-12 for the WA Ministry of Education.

Leaving education in 1990, Don commenced a career in sports administration. Apart from his own successful international career as an athlete and coach, Don has been the CEO of a National League franchise, a High Performance Manager for 3 Olympic campaigns, and the CEO of two National Sporting Organisations. Career highlights in sport include managing the program for the 2004 Australian Olympic Baseball Team that won a Silver Medal, and induction into the Australia Baseball Hall of Fame in 2008.

Don cites the successful lobbying work aimed at the repeal of Voluntary Student Unionism (VSU) and support of the Higher Education Student Services and Amenities Fee legislation undertaken with friend and colleague, the late Tom O'Sullivan, as the most rewarding experience of his professional career.

DIRECTORS' REPORT (cont)

Information on Directors (cont)

**Peter McGrath
Qualifications**

Appointed Director
Associate Diploma in Valuation
Bachelor of Laws LLB
Graduate Diploma in Legal Practice

Experience

Peter is currently a Partner at Griffin Legal. Peter is a Corporate/Sports lawyer and administrator with extensive experience in corporate law especially relating to corporate governance. He has undertaken, in conjunction with specialist consultants, a number of NSO governance projects on behalf of and under instruction from the Australian Sports Commission.

Peter was a Director (1994 - 2005) and Chairman (1999 - 2005) of the ACT & Southern NSW Rugby Union Limited ("Brumbies Rugby"), was elected to the Board of the Australian Rugby Union (ARU) in 2005 being appointed as Chairman in 2007 – 2012 and also held the role of Chairman of SANZAR in 2006/2007 and again in 2012 prior to his retirement from Rugby. Peter was appointed to the Council of the International Rugby Board (iRB) and the Executive Committee of the iRB in 2008. Peter held these positions until his retirement as Chairman of the ARU in 2012, at which point he formally stood down from all positions associated with Rugby.

In 2013 Peter was appointed, by the ACT Government, to the Council of the Canberra Institute of Technology (CIT) and became Deputy Chairman, again by appointment by the ACT Government, in 2014. Following legislative change Peter was appointed to the Governing Board of the CIT in July 2015 by the Minister for Higher Education.

Peter is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Property Institute.

**Sarah Richardson
Qualifications**

Appointed Director
Australian Sports Commission Women Leaders Grant
GAICD, Corporate Governance Diploma (Australian Institute of Company Directors)
MBA (Hons), Marketing / Finance (University of Chicago Graduate School of Business, USA)
BCA, Business / Accounting and BA, English Literature (Victoria University of Wellington, NZ)

Experience

Sarah brings strategic, financial and corporate governance skills from three decades of board and executive experience in not-for-profits, SMEs and multinationals in Australia, France and the US. She has served on 14 education, sport, health, infrastructure and agrifoods boards in the last decade (six current) and is Director of her own SME consultancy. Sarah has received multiple awards and is a member of Governance Institute of Australia (Fellow), Australian Institute of Company Directors, Australian Marketing Institute (Fellow, CPM, Awards Judge), Australian Fulbright Alumni Association, Victoria University of Wellington Alumni Association (Regional Ambassador – Sydney) and University of Chicago Alumni Association (Mentor, Perth Club Founder). She is enjoying combining her passion for the education sector with her communication skills to build awareness and advocacy for university sport within Australia

DIRECTORS' REPORT (cont)

Meetings of directors

During the year, seven meetings of directors were held. Attendances by each director were as follows:

Director	Board Meetings	
	Number Eligible to Attend	Number Attended
Deidre Anderson	7	6
David Schmude	7	7
Elizabeth Morgan-Brett *	3	2
Prof. Tim Brailsford	7	6
Mike Daws	7	6
Martin Doulton	7	7
Adrian Fisher *	3	3
Prof. Russell Hoye +	4	4
Don Knapp	7	7
Christopher Massey +	4	4
Peter McGrath	7	6
Sarah Richardson	7	7

* term concluded May 2017

+ elected May 2017

Board appointed committees including Directors' positions on committees

(Note AUS staff receive standing invitations to participate in and advise committee meetings but possess no voting rights.)

Finance, Audit and Risk Management Committee (FARM)

Peter McGrath	Chair & AUS Appointed Director
Prof. Russell Hoye	AUS Director
David Schmude*	AUS Director
Andrew Nairn+	Flinders University
Sandie Angus	Independent
Frank Laezza	Independent
Don Knapp	AUS Chief Executive Officer
Tony Jermyn	AUS Chief Operating Officer
Glenys Woolcock	AUS Co. Secretary & General Manager (Secretariat)

* concluded July 2017

+ resigned February 2017

Governance & Nominations Committee (GNC)

Prof. Tim Brailsford	Chair & Universities Australia Director
Mike Daws	AUS Director
Sarah Richardson*	AUS Appointed Director
Paul Bruce	Independent
Don Knapp	AUS Chief Executive Officer (Secretariat)

* concluded July 2017

Marketing & Sponsorship Committee (MSC)

Sarah Richardson	Chair & AUS Appointed Director
David Schmude	AUS Director
Don Knapp	AUS Chief Executive Officer
Tony Jermyn	AUS Chief Operating Officer (Secretariat)

DIRECTORS' REPORT (cont)

Board appointed committees including Directors' positions on committees (cont)

Sport Strategy Committee (SSC)

David Schmude	Chair & AUS Director
Elizabeth Morgan-Brett*	Chair & AUS Director
Martin Doulton	AUS Director & OUSA/FISU representative
Adrian Fisher*	AUS Director
Christopher Massey	AUS Director
Cindy Hoad*	Macquarie University
Nat Black	Griffith University
Tamarah Knox	Australian Catholic University
James Nightingale	Victoria University
Don Knapp	AUS Chief Executive Officer
Tony Jermyn	AUS Chief Operating Officer
Gary O'Donnell	AUS General Manager - Events (Secretariat)

* concluded May 2017

Research & Advocacy Committee (RAC)

Prof. Russell Hoyer	Chair & AUS Director
Adrian Fisher*	AUS Director
Prof. Tim Smith	RMIT University
Don Knapp	AUS Chief Executive Officer (Secretariat)

*concluded May 2017

Disputes & Disciplinary Committee

Ian Fitzpatrick	The University of Western Australia (Chair)
Adrian Fisher	Murdoch University
Sally Tanner	RMIT University
Nat Black	Griffith University
Jackie Parra	Bond University
Fudge Atshan	University of Technology Sydney
Tom Hickey	Independent - Lander & Rogers
Gary O'Donnell	AUS General Manager – Events

Membership Classes

The categories of membership of AUS, (collectively called “members”) as outlined in the AUS constitution shall be:

- a) Members as described in rule 8, and
- b) Life members as described in rule 9.

In respect to Clause 8 (8.1 and 8.2) a member must be:

- a) An Australian University; or
- b) An Australian higher education institution which in the opinion of the Board meets criteria specified in the By-Laws for membership under this part of this Rule.

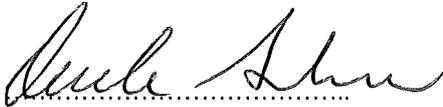
The member will be represented by the designated Delivery Agent for Sport within the member organisation. In this clause Delivery Agent for Sport means the entity of or within the University or higher education institution, recognised by the University or higher education institution as being chiefly responsible for the delivery of sport, regular physical activity and recreational services on campus. A member will notify AUS of its Delivery Agent for Sport and its relevant contact details and persons.

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 each towards meeting any outstanding obligations of the company. At 31 December 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$42 (2016: \$42).

DIRECTORS' REPORT (cont)
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2017 has been received and can be found on the page following this directors' report.

Signed in accordance with a resolution of the Board of Directors.



Director



Director

Date:

To the Directors of Australian University Sport Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Nexia Brisbane Audit Pty Ltd



AM Robertson
Director

Date: 26 April 2018

DIRECTORS' DECLARATION

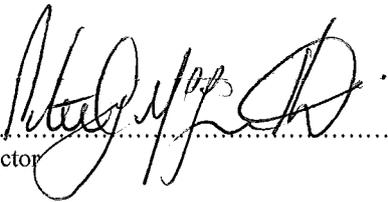
The directors of the company declare that:

1. The financial statements and notes, as attached, are in accordance with the *Corporations Act 2001* and:
 - i. comply with Australian Accounting Standards applicable to the company; and
 - ii. give a true and fair view of the financial position of the company as at 31 December 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors



.....
Director



.....
Director

Date:

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Revenue	2	7,908,309	5,443,481
Membership costs		(332,493)	(267,076)
Administration costs		(1,119,494)	(513,707)
Human resource management costs		(3,054,344)	(2,069,668)
Travel costs		(294,357)	(265,500)
Public relations costs		(631,181)	(330,741)
Sport costs		<u>(2,410,430)</u>	<u>(2,055,334)</u>
Current year surplus/(deficit) before income tax	3	66,010	(58,545)
Income tax expense	1	<u>-</u>	<u>-</u>
Net current year surplus/(deficit)		66,010	(58,545)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
- Fair value gains on available for sale financial assets		<u>19,364</u>	<u>3,703</u>
Total other comprehensive income for the year		<u>19,364</u>	<u>3,703</u>
Total comprehensive income attributable to members of the entity		<u>85,374</u>	<u>(54,842)</u>

The accompanying notes form part of these financial statements

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	645,223	547,725
Accounts receivable and other debtors	5	253,089	81,826
Other current assets	9	158,182	697,962
Financial assets	6	463,640	313,640
TOTAL CURRENT ASSETS		1,520,134	1,641,153
NON-CURRENT ASSETS			
Financial assets	6	1,150,033	1,107,906
Plant and equipment	7	57,927	43,823
Intangible assets	8	27,686	3,282
TOTAL NON-CURRENT ASSETS		1,235,646	1,155,011
TOTAL ASSETS		2,755,780	2,796,164
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	474,526	108,764
Employee provisions	11	199,118	163,453
Grants received in advance	12	177,411	665,000
Other liabilities	13	5,455	45,051
TOTAL CURRENT LIABILITIES		856,510	982,268
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		856,510	982,268
NET ASSETS		1,899,270	1,813,896
EQUITY			
Retained surplus		95,100	29,090
Reserves	14	1,804,170	1,784,806
TOTAL EQUITY		1,899,270	1,813,896

The accompanying notes form part of these financial statements

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Retained Earnings	Reinvestment Fund	Student International Representation Support Fund	Operating Reserve	Financial Asset Revaluation Reserve	Total
2017						
Balance at 1 January 2017	29,090	650,000	300,000	750,000	84,806	1,813,896
Comprehensive Income						
Surplus for the year attributable to members of the company	66,010	-	-	-	-	66,010
Other comprehensive income for the year	-	-	-	-	19,364	19,364
Total comprehensive income attributable to members of the company	66,010	-	-	-	19,364	85,374
Transactions with members, in their capacity as members						
Transfers (from)/to retained earnings and reserves	-	-	-	-	-	-
Total transactions with members	-	-	-	-	-	-
Balance at 31 December 2017	95,100	650,000	300,000	750,000	104,170	1,899,270
2016						
Balance at 1 January 2016	617,635	770,000	400,000	-	81,103	1,868,738
Comprehensive Income						
Deficit for the year attributable to members of the company	(58,545)	-	-	-	-	(58,545)
Other comprehensive income for the year	-	-	-	-	3,703	3,703
Total comprehensive income attributable to members of the company	(58,545)	-	-	-	3,703	(54,842)
Transactions with members, in their capacity as members						
Transfers (from)/to retained earnings and reserves	(530,000)	(120,000)	(100,000)	750,000	-	-
Total transactions with members	(530,000)	(120,000)	(100,000)	750,000	-	-
Balance at 31 December 2016	29,090	650,000	300,000	750,000	84,806	1,813,896

The accompanying notes form part of these financial statements

AUSTRALIAN UNIVERSITY SPORT LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,152,072	6,538,086
Payments to suppliers and employees		(6,881,884)	(7,048,962)
Interest received		68,581	59,287
Net cash generated/(used) from operating activities	17	338,769	(451,589)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(39,839)	(43,173)
Payment for intangible assets		(28,669)	-
(Payments)/Proceeds for financial investments		(172,763)	96,563
Net cash generated from investing activities		(241,271)	53,390
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net increase in cash held		97,498	(398,199)
Cash and cash equivalents at beginning of the financial year		547,725	945,924
Cash and cash equivalents at the end of the financial year	4	645,223	547,725

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Australian University Sport Limited as an individual entity, incorporated and domiciled in Australia. Australian University Sport Limited is a company limited by guarantee.

The financial statements were authorised for issue by the directors of the company as at the date of the directors' declaration.

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

• **Revenue**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step process outlined in AASB 15 which is as follows:

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations;

Step 5: Recognise revenue as the performance obligations are satisfied

Donations and bequests are recognised as revenue when received.

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

Sponsorship, host funding and licence fees are recognised over the period that is specified in the partner agreements.

Annual membership subscriptions are recognised on a proportional basis from the date the membership is accepted and/or renewed, to the year end.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

• **Cash on hand**

Cash on hand includes 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 borrowings in current liabilities on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **Plant and Equipment**

Plant and equipment are measured on the cost basis less any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors 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. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer below for details of impairment).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Assets	Depreciation Rate
Furniture, Fittings and Equipment	13% straight line
Computer Equipment	13-33% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

• **Intangibles**

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life between one and four years and is assessed annually for impairment.

• **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

• **Employee Provisions**

Short-term Employee Benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as employee provisions in the statement of financial position.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **Employee Provisions (Continued)**

Other long-term employee benefits

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

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

• **Financial Instruments**

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

i. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

ii. *Held to maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **Financial Instruments (cont'd)**

Classification and Subsequent Measurement (Continued)

iii Available for sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

iv Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **Impairment of Assets**

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

Where the future economic benefits of the assets are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined and the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

• **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of any applicable GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

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

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.

• **Income Tax**

No provision has been made for income tax as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act.

• **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. 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.

• **Deferred Expenses**

When expenditure is incurred for a project or event scheduled to take place in another accounting period it is deferred and recognised as an asset on the balance sheet until such time as the project or event subsequently takes place. The deferred expenditure is then recognised in profit or loss once the project or event has occurred.

• **Accounts Payable and Other Payables**

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

• **Comparative Figures**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

i. *Impairment*

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers.

No impairment has been recognised for the year ended 31 December 2017.

Key judgements

i. *Provision for impairment of trade receivables and other debtors*

The directors review the recoverability of the company's trade receivables and other debtors on a regular basis and raise the necessary provisions if required. The directors are satisfied that trade receivables and other debtors will be realised at their carrying value as at 31 December 2017 within the normal course of business.

• **New and Amended Accounting Policies Adopted by the Company**

During the year the company voluntarily changed its accounting policies by early adopting the following new or amended accounting standards:

- AASB 15: *Revenue from Contracts with Customers*. In conjunction with AASB 1058 *Income of Not-for-Profit Entities* these two standards supersede all the income recognition requirements relating to private sector NFP entities.

The adoption of AASB 15: *Revenue from Contracts with Customers* has not resulted in any change to the company in relation to the recognition and measurement of revenue.

- AASB 9: *Financial Instruments* which introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The adoption of AASB 9: *Financial Instruments* has not resulted in any change to the company in relation to the recognition and measurement of its financial assets or liabilities.

• **New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019), introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The directors are satisfied that the adoption of AASB 16 will not have a material impact on the company's financial statements.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The directors are satisfied that the adoption of AASB1058 will not have a material impact on the company's financial statements.

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
NOTE 2: REVENUE		
Government grants - non-reciprocal	2,859,349	1,161,293
Membership fees	506,500	509,500
Sponsorship and rebates	407,324	232,275
Event registration fees	2,749,441	2,242,920
High performance participant fees	654,563	285,808
Social programs	24,700	32,200
Interest received	68,581	59,287
Tickets and lift passes	243,286	244,125
Host funding and licence fees	124,405	345,058
Other income	99,023	113,302
Uni Sport Awards, AGM and conference	122,350	197,158
Merchandise sales	48,787	20,555
	<u>7,908,309</u>	<u>5,443,481</u>

NOTE 3: NET CURRENT YEAR SURPLUS

The following items are relevant in explaining the financial performance of the company:

Expenses

Depreciation and amortisation	30,000	66,553
Consultant expenses	255,850	6,948
Employee benefits expense	2,839,276	1,931,795

NOTE 4: CASH ON HAND

Current

Cash at bank	<u>645,223</u>	<u>547,725</u>
Reconciliation of cash		

Cash and cash equivalents balance as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows:

Cash on hand	<u>645,223</u>	<u>547,725</u>
--------------	----------------	----------------

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Current

Accounts receivable	270,675	90,756
Less: Provision for impairment of receivables	<u>(21,621)</u>	<u>(14,169)</u>
	249,054	76,587
Other receivables	<u>4,035</u>	<u>5,239</u>
	<u>253,089</u>	<u>81,826</u>

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
NOTE 6: FINANCIAL ASSETS		
Held-to-maturity investments		
Current		
Funds on deposit	<u>463,640</u>	<u>313,640</u>
Non-Current		
Available for sale financial assets		
Investment portfolio	1,031,833	989,706
Held-to-maturity investments		
Funds on deposit	<u>118,200</u>	<u>118,200</u>
	<u>1,150,033</u>	<u>1,107,906</u>
NOTE 7: PLANT AND EQUIPMENT		
Head office computer equipment - at cost	366,895	327,056
Less accumulated depreciation	<u>(314,740)</u>	<u>(291,372)</u>
	<u>52,155</u>	<u>35,684</u>
Head office furniture & equipment - at cost	57,562	57,562
Less accumulated depreciation	<u>(51,790)</u>	<u>(49,423)</u>
	<u>5,772</u>	<u>8,139</u>
Total property, plant and equipment (refer note 18)	<u>57,927</u>	<u>43,823</u>
NOTE 8: INTANGIBLE ASSETS		
National communications database - at cost	391,105	370,300
Less accumulated amortisation	<u>(370,300)</u>	<u>(369,452)</u>
	<u>20,805</u>	<u>848</u>
Sports Registration System - at cost	21,760	21,760
Less accumulated amortisation	<u>(21,760)</u>	<u>(19,326)</u>
	<u>-</u>	<u>2,434</u>
Trademarks - at cost	7,864	-
Less accumulated amortisation	<u>(983)</u>	<u>-</u>
	<u>6,881</u>	<u>-</u>
Total intangible assets	<u>27,686</u>	<u>3,282</u>
Movement in intangible assets:		
Balance at the beginning of the period	3,282	22,674
Additions	280,254	(12,444)
Amortisation expense	<u>(255,850)</u>	<u>(6,948)</u>
Balance at the end of the period	<u>27,686</u>	<u>3,282</u>

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
NOTE 9: OTHER ASSETS		
Prepayments and deferred expenditure	<u>158,182</u>	<u>697,962</u>

NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES

Current

Unsecured

Accounts payable and accruals	<u>474,526</u>	<u>108,764</u>
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NOTE 11: EMPLOYEE BENEFITS

Current

Employee benefits is comprised of:

Parental Leave GOV	1,390	-
Holiday Leave	91,384	71,124
Long Service Leave	69,964	60,765
Leave On-costs	26,380	21,564
Parental Leave	<u>10,000</u>	<u>10,000</u>
Total employee benefits	(a) <u>199,118</u>	<u>163,453</u>

(a) AUS Employee Long Service Leave (LSL) is calculated in accordance with the *Qld Industrial Relations Act (1999) Amendment (2001)*.

The LSL entitlement is calculated as being 8.67 weeks leave after 10 years of continuous service, additionally:

- AUS policy is to not record LSL entitlements until after the 5th continuous year of service;
- AUS provides an entitlement to payment for LSL on a pro-rata basis after 7 years of continuous service;
- LSL entitlements may only be taken after 10 continuous years of service.

NOTE 12: GRANTS RECEIVED IN ADVANCE

Current

Government Funding received in advance	<u>177,411</u>	<u>665,000</u>
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AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2017	2016
\$	\$

NOTE 13: OTHER LIABILITIES

Current

Membership received in advance *	5,455	12,500
Sponsorship received in advance **	-	18,182
Other income received in advance ***	-	14,369
	5,455	45,051

* Membership fees prepaid by members prior to invoices being sent out in January

** Relates to sponsorship income received in advance.

*** Comprises participant contributions, host funding and licence fees received in advance.

NOTE 14: RESERVES

(a) Reinvestment Fund

The Future Program Maintenance Reserve was established in December 2006 to maintain AUS sporting programs into the future. In 2016, the Board renamed this the Reinvestment Fund. The Reinvestment funds may be used for programs, activities or research that will produce significant benefit to members, student participants or the university sport sector.

(b) Student International Representation Support Fund

The World University Games Fund Reserve was established in December 2007, in 2016 the name of this Fund was changed to the Student International Representation Support Fund. The Student International Representation Support Fund reserve records funds that have been set aside in support of international representatives.

(c) Operating Reserve

The Operating Reserve sets aside funds to ensure the stability and ongoing operations of the company in the event of unexpected losses of income, large unbudgeted expenses or uninsured losses.

(d) Financial Asset Revaluation Reserve

The Financial Asset Revaluation Reserve records the revaluation of financial assets.

NOTE 15: AUDITORS' REMUNERATION

Remuneration of the auditor of the Company for:

Auditing or reviewing the financial report	17,000	16,500
Other services provided by related practice of the auditor	-	-
	17,000	16,500

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$

NOTE 16: LEASING AND CAPITAL COMMITMENTS

(a) Operating Lease Commitments

Total lease expenditure, representing non-cancellable operating leases, contracted for at balance date but not provided for in the financial statements:

Payable not later than 1 year	i)	6,959	23,223
Payable later than 1, but not later than 5 years		-	6,959
Payable later than 5 years		-	-
		6,959	30,182

- i) Australian University Sport currently rents only one premises which requires one months notice from either the landlord or the tenant in order to vacate.

(b) Capital Expenditure Commitments

The company has no capital expenditure contracted for at balance date.

NOTE 17: CASH FLOW INFORMATION

Reconciliation of Cashflow from Operations with Surplus after Income Tax

Surplus/(Deficit) after income tax	66,010	(58,545)
Non cash flows:		
Depreciation and amortisation	30,000	66,553
Bad debts	7,452	-
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(178,715)	194,594
Increase/(decrease) in accounts payable and other payables	365,762	(412,204)
(Increase)/decrease in other assets	539,780	(526,099)
Increase/(decrease) in employee benefits	35,665	2,271
Increase/(decrease) in unearned income and other liabilities	(527,185)	281,841
Net cash generated by/(used in) operating activities	338,769	(451,589)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 18: MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period:

	Head Office Computer Equipment	Head Office Furniture & Equipment	Total
2017	\$	\$	\$
Balance at beginning of the year	35,684	8,139	43,823
Additions	39,839	-	39,839
Depreciation expense	(23,368)	(2,367)	(25,735)
Balance at end of the year (Note 7)	<u>52,155</u>	<u>5,772</u>	<u>57,927</u>
2016			
Balance at beginning of the year	43,053	4,758	47,811
Additions	33,593	9,580	43,173
Depreciation expense	(40,962)	(6,199)	(47,161)
Balance at end of the period (Note 7)	<u>35,684</u>	<u>8,139</u>	<u>43,823</u>

NOTE 19: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1.00 each towards meeting any outstanding obligations of the company. At 31 December 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$42 (2016: \$42).

NOTE 20: KEY MANAGEMENT PERSONNEL COMPENSATION

With the exception of the ex-officio position of the Chief Executive Officer, the AUS Board of Directors do not receive remuneration for their services.

NOTE 21: RELATED PARTY TRANSACTIONS

During the year AUS engaged Griffin Legal to undertake Intellectual Property registration work. Peter McGrath is a Director of AUS and a partner of Griffin Legal. The value of services received from Griffin Legal during the year was \$8,452 (2016: Nil). At balance date the amount owed to Griffin Legal was \$Nil (2016: Nil). Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

NOTE 22: COMPANY DETAILS

The company's registered office and principal place of business is:
Suite 1.12, Sports House
Cnr Castlemaine & Caxton Streets
MILTON QLD 4064

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN UNIVERSITY SPORT LIMITED

Report on the financial report

Opinion

We have audited the financial report of Australian University Sport Limited (the company), which comprises the statement of financial position as at 31 December 2017, the 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 to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian University Sport Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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 in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, as attached to the director's report, has not changed as at the date 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Nexia Brisbane Audit Pty Ltd

Registered Audit Company 299289
Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001
p +61 7 3229 2022
f +61 7 3229 3277
e email@nexiabrisbane.com.au
w nexia.com.au

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN UNIVERSITY SPORT LIMITED (Continued)

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN UNIVERSITY
SPORT LIMITED (Continued)**

- 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 the directors 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.



Nexia Brisbane Audit Pty Ltd



**AM Robertson
Director**

Level 28, 10 Eagle Street,
Brisbane, QLD, 4000

Date: 26 April 2018

Australian University Sport Ltd

Compilation Report to Australian University Sport Ltd

We have compiled the accompanying special purpose financial statements of Australian University Sport Ltd which comprises the Detailed Statement of Income and Expenditure by Category for the year ended 31 December 2017.

The specific purpose for which this special purpose financial statement has been prepared is to satisfy the information needs of members.

The Responsibility of the Directors

The directors of Australian University Sport Limited are solely responsible for the information contained in the special purpose financial statement, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statement was prepared.

Our Responsibility

On the basis of information provided by the directors, we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting as described in Note 1 to the financial statement and APES 315: *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile the financial statement in accordance with the basis of accounting described in Note 1 to the financial statement. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile the financial statement. Accordingly, we do not express an audit opinion or a review conclusion on the financial statement.

The special purpose financial statement was compiled exclusively for the benefit of directors who are responsible for the reliability, accuracy and completeness of the information used to compile this statement. We do not accept responsibility for the contents of this special purpose financial statement.



Nexia Brisbane Business Advisory Pty Ltd



G Sawford Director

Date: 26 April 2018

Nexia Brisbane Business Advisory Pty Ltd

Level 28, 10 Eagle Street
Brisbane QLD 4000
GPO Box 1189
Brisbane QLD 4001

p +61 7 3229 2022

f +61 7 3229 3277

e email@nexiabrisbane.com.au

w nexia.com.au

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AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

DETAILED STATEMENT OF INCOME AND EXPENDITURE BY CATEGORY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
MEMBER SERVICES		
REVENUE		
Government grants/funding/subsidies	50,000	50,000
Sundry income	18,498	18,092
Membership fees	506,500	509,500
Uni Sports Awards, AGM and Conference	122,350	83,535
TOTAL INCOME	697,348	661,127
EXPENDITURE		
Administration costs	2,106	48,901
Human resource management	309,535	323,733
Membership	311,674	245,294
Public relations	22,748	3,531
Travel	57,503	62,770
Sport	15,636	-
TOTAL EXPENDITURE	719,202	684,229
OPERATING SURPLUS/(DEFICIT)	(21,854)	(23,102)
AUSTRALIAN UNIVERSITY GAMES		
REVENUE		
Investment income	63,432	59,287
Government grants/funding/subsidies	385,000	520,000
Sponsorship	275,008	217,925
Merchandising Income	5,791	7,689
Registration fees	1,233,154	940,065
Partner funding	-	155,706
Social programs	18,800	18,400
Tickets and lift passes	155,850	128,805
Sundry income	80,512	95,210
Unisport Awards and conferences	-	113,623
TOTAL INCOME	2,217,546	2,256,707
EXPENDITURE		
Administration costs	269,312	237,359
Human resource management	956,459	963,805
Membership	-	161
Public relations	65,701	179,492
Sport	803,091	873,738
Travel	73,063	117,116
TOTAL EXPENDITURE	2,167,626	2,371,671
OPERATING SURPLUS/(DEFICIT)	49,921	(114,964)

These statements should be read in conjunction with the attached compilation report of Nexia Brisbane Business Advisory Pty Ltd

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

DETAILED STATEMENT OF INCOME AND EXPENDITURE BY CATEGORY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
EASTERN UNIVERSITY GAMES		
REVENUE		
Government grants/funding/subsidies	50,000	63,000
Registration fees	401,453	486,300
Social programs	5,500	8,400
Merchandising income	764	6,414
Sponsorship	6,329	1,000
Partner funding	47,500	13,853
TOTAL INCOME	511,545	578,966
EXPENDITURE		
Administration costs	40,783	41,152
Human resource management	227,273	245,110
Membership	-	560
Public relations	11,677	35,022
Sport	150,796	173,933
Travel	18,263	13,603
TOTAL EXPENDITURE	448,792	509,380
OPERATING SURPLUS/(DEFICIT)	62,753	69,586
NORTHERN UNIVERSITY GAMES		
REVENUE		
Government grants/funding/subsidies	25,000	31,626
Merchandising income	568	2,434
Partner funding	36,905	35,000
Registration fees	192,605	233,802
Social programs	-	5,000
Sponsorship	3,866	2,000
TOTAL INCOME	258,945	309,862
EXPENDITURE		
Administration costs	29,404	34,298
Human resource management	114,991	98,048
Public relations	9,586	27,530
Sport	87,450	117,220
Travel	16,152	17,659
TOTAL EXPENDITURE	257,584	294,756
OPERATING SURPLUS/(DEFICIT)	1,362	15,107

These statements should be read in conjunction with the attached compilation report of Nexia Brisbane Business Advisory Pty Ltd

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

DETAILED STATEMENT OF INCOME AND EXPENDITURE BY CATEGORY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
SOUTHERN UNIVERSITY GAMES		
REVENUE		
Government grants/funding/subsidies	60,000	65,000
Partner funding	40,000	40,000
Sponsorship	3,045	1,350
Registration fees	212,673	281,621
Merchandising income	631	3,168
TOTAL INCOME	<u>316,348</u>	<u>391,139</u>
EXPENDITURE		
Administration costs	29,646	30,720
Human resource management	118,565	115,430
Membership	260	4,977
Public relations	20,063	17,704
Sport	120,028	141,215
Travel	19,151	17,720
TOTAL EXPENDITURE	<u>307,712</u>	<u>327,765</u>
OPERATING SURPLUS/(DEFICIT)	<u>8,636</u>	<u>63,374</u>
WESTERN UNIVERSITY GAMES		
REVENUE		
Government grants/funding/subsidies	16,800	15,000
Partner funding	-	5,500
Registration fees	82,160	99,844
Social programs	400	400
Merchandising income	50	850
Sponsorship	1,391	-
TOTAL INCOME	<u>100,801</u>	<u>121,594</u>
EXPENDITURE		
Administration costs	28,394	18,505
Human resource management	72,996	55,532
Membership	-	38
Public relations	12,630	21,965
Sport	48,457	64,143
Travel	14,592	9,543
TOTAL EXPENDITURE	<u>177,070</u>	<u>169,726</u>
OPERATING SURPLUS/(DEFICIT)	<u>(76,269)</u>	<u>(48,132)</u>

These statements should be read in conjunction with the attached compilation report of Nexia Brisbane Business Advisory Pty Ltd

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

DETAILED STATEMENT OF INCOME AND EXPENDITURE BY CATEGORY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
AUSTRALIAN UNIVERSITY CHAMPIONSHIPS		
REVENUE		
Government grants/funding/subsidies	2,727	-
Partner funding	-	5,000
Sponsorship	1,034	5,000
Participant Contributions	4,909	10,346
Registration fees	109,663	138,131
Merchandising income	983	-
Tickets and lift passes	87,436	115,320
TOTAL INCOME	206,752	273,797
EXPENDITURE		
Administration costs	2,083	13,648
Human resource management	64,243	33,534
Public relations	25,478	19,614
Sport	148,478	214,356
Travel	7,673	7,501
TOTAL EXPENDITURE	247,955	288,654
OPERATING SURPLUS/(DEFICIT)	(41,203)	(14,857)
HIGH PERFORMANCE - WORLD UNIVERSITY CHAMPIONSHIPS		
REVENUE		
Government grants/funding/subsidies	100,000	416,667
Partner funding	-	90,000
Sponsorship	12,000	5,000
Participant Contributions	11,408	275,462
Registration fees	-	63,156
TOTAL INCOME	123,408	850,285
EXPENDITURE		
Administration costs	10,482	89,120
Human resource management	74,961	234,475
Membership	17,782	16,047
Public relations	-	25,884
Sport	25,127	470,728
Travel	5,943	19,588
TOTAL EXPENDITURE	134,294	855,842
OPERATING SURPLUS/(DEFICIT)	(10,886)	(5,557)

These statements should be read in conjunction with the attached compilation report of Nexia Brisbane Business Advisory Pty Ltd

AUSTRALIAN UNIVERSITY SPORT LIMITED
ACN: 095 463 782

DETAILED STATEMENT OF INCOME AND EXPENDITURE BY CATEGORY
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
WORLD SUMMER GAMES		
REVENUE		
Government grants/funding/subsidies	544,822	-
Sponsorship	22,500	-
Participant Contributions	616,529	-
TOTAL INCOME	1,183,851	-
EXPENDITURE		
Administration costs	125,565	-
Human resource management	188,218	-
Membership	4	-
Public relations	50,539	-
Sport	792,590	-
Travel	5,271	-
TOTAL EXPENDITURE	1,162,187	-
OPERATING SURPLUS/(DEFICIT)	21,664	-
AUSTRALIAN MASTERS GAMES		
REVENUE		
Government grants/funding/subsidies	1,625,000	-
Participant Contributions	21,718	-
Investment income	5,149	-
Sponsorship & rebates	82,152	-
Merchandise sales	40,000	-
Registration fees	517,733	-
Sundry income	13	-
TOTAL INCOME	2,291,765	-
EXPENDITURE		
Administration costs	581,718	-
Human resource management	927,103	-
Membership	2,774	-
Public relations	412,757	-
Sport	218,778	-
Travel	76,749	-
TOTAL EXPENDITURE	2,219,879	-
OPERATING SURPLUS/(DEFICIT)	71,886	-
TOTAL SURPLUS/(DEFICIT) FOR THE PERIOD	66,010	(58,545)

These statements should be read in conjunction with the attached compilation report of Nexia Brisbane Business Advisory Pty Ltd