

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

FINANCIAL REPORT
FOR THE PERIOD ENDED 9 FEBRUARY 2010

Covering the part-year period from 1 January to 9 February 2010

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

FINANCIAL REPORT
FOR THE PERIOD ENDED 9 FEBRUARY 2010

INDEX

Directors' Report

Statement by Directors

Statement of Financial Position

Statement of Income and Expenditure

Notes to the Financial Statements

Independent Auditor's Report

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

DIRECTORS' REPORT

Your Directors submit the financial report of the Australian University Sport Inc. for the financial period 1 January 2010 to 9 February 2010.

Directors

The names of Directors throughout the period and at the date of this report are:

Ms A Mitchell OAM	Mr R Larkins
Mr T Lee	Mr C Oliver
Prof W Lovegrove	Mr M Doulton
Ms C Clark	Mr B Lynch

Principal Activities

The principal activities of the Association during the financial period were to provide peak body representation; strategic planning and co-ordination of university sport in Australia, including event management and assistance to university sporting teams.

Significant Changes

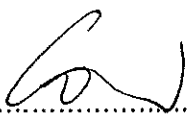
On 10 February 2010, Australian University Sport Inc, received approval from the Australian Securities and Investments Commission (ASIC) to change its legal structure from an Incorporated Association (under the Associations Incorporations Act NSW 1984) to a Company Limited by Guarantee (under the Corporations Act 2001). As such, the amounts reported in this financial report are for the period 1 January 2010 to 9 February 2010.


Other than the above, no significant change in the nature of these activities occurred during the period.

Operating Result

The surplus from ordinary activities after providing for income tax amounted to \$108,893 (2009:\$ 255,004 surplus). Upon the change in legal structure from an Incorporated Association to a Company Limited by Guarantee, the retained earnings and reserves were all transferred to the new entity.

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


.....
DIRECTOR


.....
DIRECTOR

Date: 22 April 2011

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

STATEMENT BY DIRECTORS

The Directors have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Directors the financial report:

1. Presents a true and fair view of the financial position of Australian University Sport Inc. as at 9 February 2010 and its performance for the period ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Australian University Sport Inc. will be able to pay its debts as and when they fall due.

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



.....
DIRECTOR



.....
DIRECTOR

Date: 22 April 2011

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

STATEMENT OF FINANCIAL POSITION
 AS AT 9 FEBRUARY 2010

	Note	9 February 2010 \$	31 December 2009 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,058,848	2,443,689
Trade and other receivables	4	313,169	163,671
Other assets	8	39,039	47,513
TOTAL CURRENT ASSETS		<u>3,411,056</u>	<u>2,654,873</u>
NON-CURRENT ASSETS			
Financial assets	5	346,222	346,980
Property, plant and equipment	6	49,274	51,083
Intangible assets	7	127,760	142,600
TOTAL NON-CURRENT ASSETS		<u>523,256</u>	<u>540,663</u>
TOTAL ASSETS		<u>3,934,312</u>	<u>3,195,536</u>
CURRENT LIABILITIES			
Trade and other payables	9	74,305	131,433
Short-term provisions	10	81,759	81,759
Government grant funding in advance	11	1,913,439	1,461,439
Other liabilities	12	235,011	-
TOTAL CURRENT LIABILITIES		<u>2,304,514</u>	<u>1,674,631</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>2,304,514</u>	<u>1,674,631</u>
NET ASSETS		<u>1,629,798</u>	<u>1,520,905</u>
MEMBERS' FUNDS			
Retained earnings		459,798	350,905
Reserves	13	1,170,000	1,170,000
TOTAL MEMBERS' FUNDS		<u>1,629,798</u>	<u>1,520,905</u>

The accompanying notes form part of these financial statements

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

STATEMENT OF INCOME AND EXPENDITURE
 FOR THE PERIOD 1 JANUARY 2010 TO 9 FEBRUARY 2010

	Note	2010 \$	Year Ended 31 December 2009 \$
INCOME			
Government grants		235,500	3,603,840
Membership fees		28,925	256,000
Sponsorship and rebates		-	109,796
Registration fees		-	1,402,702
Participant fees		-	518,324
Social programs		-	83,411
Interest received		11,032	183,041
Tickets and lift passes		-	339,879
Host funding and licence fees		-	137
Other income		-	4,665
Merchandise sales		-	214
Donations received - transfer of assets from Australian Universities Tours Trust		-	97,448
		<u>275,457</u>	<u>6,599,457</u>
EXPENDITURE			
Membership costs		22,727	122,820
Administration costs		27,050	594,554
Human resource management costs		113,276	1,581,928
Travel costs		2,071	142,316
Public relations costs		1,440	249,086
Sport costs		-	3,653,749
		<u>166,564</u>	<u>6,344,453</u>
Surplus/(Deficit) before income tax and reserve funds movements		108,893	255,004
Income tax expense		-	-
Surplus/(Deficit) for the period		<u>108,893</u>	<u>255,004</u>
RESERVE FUND Movements			
Transfers to Future Program Maintenance Reserve	13	-	(51,464)
Transfers to World Uni Games Fund Reserve	13	-	(150,000)
RETAINED EARNINGS at the beginning of the period		<u>350,905</u>	<u>297,365</u>
RETAINED EARNINGS at the end of the period		<u>459,798</u>	<u>350,905</u>

The accompanying notes form part of these financial statements

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 9 FEBRUARY 2010**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report that has been prepared in order to satisfy the financial reporting requirements of the *Associations Incorporations Act (NSW) 1984*. The Directors have determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

- **Comparative figures**

The Association was wound up on 9 February 2010. As such, the amounts reported are for the period 1 January 2010 to 9 February 2010. The comparative figures however, are for the year ended 31 December 2009.

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

- **Cash and cash equivalents**

Cash and cash equivalents 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.

- **Plant and Equipment**

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

The carrying amount 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

All assets are depreciated on a straight-line basis over their useful lives to the Association commencing from the time that 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 each reporting date.

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

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

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 9 FEBRUARY 2010**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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 three years. It is assessed annually for impairment.

- **Impairment of Assets**

At the end of each reporting date, the association 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 expensed to the statement of income and expenditure.

- **Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to employee superannuation funds and are charged as expenses when incurred.

- **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

- **Revenue and other income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising income.

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.

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

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 period end.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 9 FEBRUARY 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

• Revenue and other income (continued)

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Various government grants have been received to enable AUS to conduct University Games in a number of states in Australia. There are no unfulfilled conditions or contingencies attaching to these grants.

All revenue is stated net of the amount of any applicable GST.

• Financial Instruments

Recognition and Initial 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 the purchase or sale of 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 either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. 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:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

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 value with a consequential recognition of an income or expense in profit or loss.

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. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets).

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 association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 9 FEBRUARY 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

• Financial Instruments (continued)

ii. *Held to maturity investments (cont)*

Held to maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

iii *Available for sale financial assets*

Available for sale financial assets 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 designed 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.

Available for sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

Fair Value

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.

Impairment

At each reporting date, the Entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

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.

• 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of any applicable GST.

• Income Tax

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

AUSTRALIAN UNIVERSITY SPORT INC.
ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 9 FEBRUARY 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Receivables**

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

- **Foreign Currency Transactions and Balances**

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in the statement of income and expenditure as they arise.

- **Trade 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 association 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.

- **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

- **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 Association.

Key estimates – Impairment

The association assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgements – Available for sale investments

The Association maintains a portfolio of securities with a carrying value of \$11,282 at the end of the reporting period. Certain individual investments have declined in value recently. The Directors do not believe this decline constitutes a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is significantly lower than cost for a period in excess of 12 months, the Directors have determined that such investments will be considered impaired in the future.

In 2010, the directors of the Association have made no other material estimates or judgments.

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD 1 JANUARY 2010 TO 9 FEBRUARY 2010

	2010	Year Ended 31 December 2009
	\$	\$
NOTE 2: SURPLUS/(DEFICIT)		
Included in expenditure in the income statement are the following specific disclosure items:		
Foreign currency translation loss/(gain)	(407)	15,915
Loss/(gain) on sale of plant and equipment	-	(4,387)
Depreciation of plant and equipment	1,809	18,404
Amortisation of intangibles	14,840	103,712
	<u>14,840</u>	<u>103,712</u>
NOTE 3: CASH AND CASH EQUIVALENTS		
Current		
Cash on hand	1,400	-
Cash at bank	657,448	543,689
Short term deposits	2,400,000	1,900,000
	<u>3,058,848</u>	<u>2,443,689</u>
NOTE 4: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	313,169	163,671
Less: Provision for impairment of receivables	-	-
	<u>313,169</u>	<u>163,671</u>
NOTE 5: FINANCIAL ASSETS		
Non-Current		
Held-to-maturity investments:-		
Shares in listed entities	11,282	12,040
Floating rate notes	334,940	334,940
	<u>346,222</u>	<u>346,980</u>
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Head office computer equipment - at cost	62,078	62,078
Less accumulated depreciation	(44,125)	(42,852)
	<u>17,953</u>	<u>19,226</u>
Head office furniture & equipment - at cost	45,157	45,157
Less accumulated depreciation	(13,836)	(13,300)
	<u>31,321</u>	<u>31,857</u>
Total property, plant and equipment (refer note 17)	<u>49,274</u>	<u>51,083</u>

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD 1 JANUARY 2010 TO 9 FEBRUARY 2010

	2010	Year Ended 31 December 2009
	\$	\$
NOTE 7: INTANGIBLE ASSETS		
National communications database	248,600	248,600
Less accumulated amortisation	<u>(120,840)</u>	<u>(106,000)</u>
	<u>127,760</u>	<u>142,600</u>
Movement in intangible assets:		
Balance at the beginning of the period	142,600	190,462
Additions	-	55,850
Amortisation expense	<u>(14,840)</u>	<u>(103,712)</u>
Balance at the end of the period	<u>127,760</u>	<u>142,600</u>
NOTE 8: OTHER ASSETS		
Prepayments	<u>39,039</u>	<u>47,513</u>
	<u>39,039</u>	<u>47,513</u>
NOTE 9: TRADE AND OTHER PAYABLES		
Current		
<i>Unsecured</i>		
Trade payables and accruals	<u>74,305</u>	<u>131,433</u>
	<u>74,305</u>	<u>131,433</u>
NOTE 10: PROVISIONS		
Current		
Employee benefits	<u>81,759</u>	<u>81,759</u>
	<u>81,759</u>	<u>81,759</u>
Aggregate employee benefits liability	<u>81,759</u>	<u>81,759</u>
NOTE 11: GOVERNMENT GRANT FUNDING IN ADVANCE		
Current		
National Funding received in advance	1,827,000	1,375,000
Other Government funding in advance	<u>86,439</u>	<u>86,439</u>
	<u>1,913,439</u>	<u>1,461,439</u>

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD 1 JANUARY 2010 TO 9 FEBRUARY 2010

	2010	Year Ended 31 December 2009
	\$	\$
NOTE 12: OTHER LIABILITIES		
Current		
Membership fees received in advance	235,011	-
	<u>235,011</u>	<u>-</u>

NOTE 13: RESERVES

Future Program Maintenance Fund Reserve	(a)	770,000	770,000
World University Games Fund Reserve	(b)	400,000	400,000
		<u>1,170,000</u>	<u>1,170,000</u>

(a) Future Program Maintenance Fund Reserve
Movements during the period

Opening balance		770,000	718,536
Transfer from retained earnings		-	-
Transfer from Funds Held In Trust		-	-
Transfer to/(from) future program maintenance reserve to offset ongoing VSU Impact Study lobby costs		-	51,464
Closing balance		<u>770,000</u>	<u>770,000</u>

The future program maintenance reserve records funds set aside to support key university sporting needs as the full impact emerges of changed funding for university sport due to the VSU legislation.

(b) World University Games Fund Reserve
Movements during the period

Opening balance		400,000	250,000
Transfer of gift from Australian Universities Tours Trust to retained earnings (i)		-	100,000
Transfers to/(from) retained earnings		-	50,000
Closing balance		<u>400,000</u>	<u>400,000</u>

The World University Games Fund reserve records funds that have been set aside in support of international representatives.

- (i) On 31 December 2009 the assets of the Australian Universities Trust (Tours) were transferred to Australian University Sport Inc and as of this date the Trust was effectively wound-up.

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD 1 JANUARY 2010 TO 9 FEBRUARY 2010

	Year Ended 31 December
2010	2009
\$	\$

NOTE 14: CHARGES, MORTGAGES AND SECURITIES

There are no mortgages, charges and securities of any description effecting any of the assets of Australian University Sport Inc. as at 9 February 2010.

NOTE 15: AUDITORS' REMUNERATION

Remuneration of the auditor of the Association for:

Auditing or reviewing the financial report

Other services provided by related practice of the auditor

-	14,000
-	700
-	14,700

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

Payable later than 1, but not later than 5 years

Payable later than 5 years

-	35,001
-	56,964
-	-
-	91,965

(b) Capital Expenditure Commitments

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

AUSTRALIAN UNIVERSITY SPORT INC.
 ABN: 22 634 634 319

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD 1 JANUARY 2010 TO 9 FEBRUARY 2010

NOTE 17: 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:

	2010			Total
	Head Office Computer Equipment \$	Head Office Furniture & Equipment \$	Motor Vehicles \$	
Balance at beginning of the period	19,226	31,857	-	51,083
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(1,273)	(536)	-	(1,809)
Balance at end of the period (Note 6)	17,953	31,321	-	49,274

	2009			Total
	Head Office Computer Equipment \$	Head Office Furniture & Equipment \$	Motor Vehicles \$	
Balance at beginning of the period	23,940	7,223	27,101	58,264
Additions	8,140	28,605	-	36,745
Disposals	-	-	(25,522)	(25,522)
Depreciation expense	(12,854)	(3,971)	(1,579)	(18,404)
Balance at end of the period (Note 6)	19,226	31,857	-	51,083

NOTE 18: EVENTS AFTER THE BALANCE SHEET

On 10 February 2010, Australian University Sport Inc, received approval from the Australian Securities and Investments Commission (ASIC) to change its legal structure from an Incorporated Association (under the Associations Incorporations Act NSW 1984) to a Company Limited by Guarantee (under the Corporations Act 2001). As a result the Association was wound up on 9 February 2010 and the assets and liabilities were transferred to Australian University Sport Ltd on that date.

NOTE 19: ADDITIONAL INFORMATION

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN UNIVERSITY SPORT INC.**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Australian University Sport Inc. (the association), which comprises the statement of financial position as at 9 February 2010, and the statement of income and expenditure for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Board of Directors.

Board of Director's Responsibility for the Financial Report

The Board of Directors of the association is responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Act (NSW) 1984* and the needs of the members. The Board of Director's responsibilities also includes such internal control as the Board of Director's determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management., as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board of Director's financial reporting under the *Associations Incorporation Act (NSW) 1984*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN UNIVERSITY SPORT INC. (continued)**

Independence

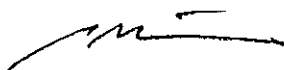
In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Australian University Sport Inc. presents fairly, in all material respects the financial position of Australian University Sport Inc. as at 9 February 2010 and of its financial performance for the period then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporations Act (NSW) 1984.

Hayes Knight Audit (Qld) Pty Ltd.

Hayes Knight Audit (Qld) Pty Ltd



**KJ Robertson
Director**

Level 19, 127 Creek Street
Brisbane

Date: *27 April 2011*