

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
RESEARCH STUDENTS' ASSOCIATION INCORPORATED AND
CONTROLLED ENTITY**

ABN 99 624 251 156

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
RESEARCH STUDENTS' ASSOCIATION INCORPORATED
A.B.N 99 624 251 156**

DIRECTORS' REPORT

Your Board of directors submit the financial report of The Australian National University Postgraduate and Research Students' Association Incorporated (the Association) and its controlled entity for the financial year ended 31 December 2020.

Directors

The names of the directors throughout the year and at the date of this report are:

Name	Position	Appointed	Resigned
Eve Walker	President 2020-2021	2020	
Zyl Hovenga-Wauchope	Chair		8 May 2021
Utsav Gupta	Treasurer / President 2019-2020		6 May 2021
Hao Min	Director		5 May 2021
Sagar Acharya	Director		5 May 2021
Rittwick Visen	Director	4 July 2020	6 May 2021
Nisha Dahiya	Secretary	11 June 2020	5 May 2021
Mynampati Karthik	Director	11 June 2020	2020
Bionta Dhamai	Director		End Jan 2020
Didhiti Dhiman	Director		February 2020
Szbina Howarth	Director		End Jan 2020
Malik Munir	Director	March 2020	2020
Alison Fong	Director	November 2020	May 2021
Priah Mukhtiar	Director	September 2020	2020
Aditya Sharma	Director		January 2020

Principal Activities

The principal activities of the Association during the financial year were to promote the welfare and further the interests of postgraduate students at the ANU and to afford a recognised means of representation for members both within and outside the University, and a recognised means of communication between students/members and University authorities.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The surplus from ordinary activities amounted to \$326,199 (2019 deficit: \$33,019).

Events after the reporting date

There is an increasing general disruption to normal economic and business activity, as a result of the COVID-19 pandemic announced by the World Health Organisation in March 2020 and the Federal Government's subsequent announcements and protocols. The entity has sufficient cash reserves to fund operations and weather the estimated 2021 financial impacts of the COVID-19 pandemic.

Other than the matter noted above, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
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DIRECTORS' REPORT (Continued)

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



Eve Walker, President

Dated this ¹⁵ day of June 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER S60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH STUDENTS' ASSOCIATION INCORPORATED AND CONTROLLED ENTITY

As lead auditor of the Australian National University Postgraduate and Research Students' Association Incorporated and controlled entity, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Sart Spinks, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 25th day of June 2021

THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
RESEARCH STUDENTS' ASSOCIATION INCORPORATED
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STATEMENT BY THE DIRECTORS'

In the opinion of the Board:

1. the financial report as set out on pages 5 to 21 presents a true and fair view of the financial position of the Australian National University Postgraduate and Research Students' Association Incorporated and its controlled entity as at 31 December 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
2. at the date of this statement, there are reasonable grounds to believe that the Australian National University Postgraduate and Research Students' Association Incorporated 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 and is signed for and on behalf of the Board by:



Eve Walker, President

Dated this 25 day of June 2021

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
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A.B.N 99 624 251 156**

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

	Note	2020 \$	2019 \$
Revenue	2	2,781,679	1,863,044
Interest income		10,008	13,436
Employee benefits expense		(1,147,293)	(1,073,084)
Depreciation and amortisation expense		(11,921)	(36,571)
Bad debt expense		-	(500)
Administration expenses		(212,736)	(148,360)
Conference, training and travel		(36,804)	(3,655)
Education portfolio expenses		-	(89,719)
Grants allocated		(32,268)	(145,705)
International portfolio expenses		-	(26,285)
Miscellaneous portfolio expenses		-	(104,179)
Social portfolio expenses		-	(217,417)
Other expenses		(17)	(8,823)
Student engagement representation expenses		-	(55,201)
Event expenses		(142,610)	-
PARSA Cycles expenses		(98,275)	-
Emergency and COVID-19 grant expenses		(783,564)	-
Surplus/(Deficit) before income tax		<u>326,199</u>	<u>(33,019)</u>
Income tax expense		-	-
Total comprehensive Surplus/(Deficit) for the year		<u>326,199</u>	<u>(33,019)</u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
RESEARCH STUDENTS' ASSOCIATION INCORPORATED
A.B.N 99 624 251 156**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,721,627	1,501,420
Trade and other receivables	4	31,522	79,776
Inventories	5	38,193	10,671
Other assets	6	<u>19,792</u>	<u>27,404</u>
TOTAL CURRENT ASSETS		<u>1,811,134</u>	<u>1,619,271</u>
NON-CURRENT ASSETS			
Other financial assets	7	-	1
Property, plant and equipment	8	<u>80,230</u>	<u>52,713</u>
TOTAL NON-CURRENT ASSETS		<u>80,230</u>	<u>52,714</u>
TOTAL ASSETS		<u>1,891,364</u>	<u>1,671,985</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	90,668	149,078
Other liabilities	10	575,287	619,570
Employee benefits	11	<u>62,456</u>	<u>59,340</u>
TOTAL CURRENT LIABILITIES		<u>728,411</u>	<u>827,988</u>
TOTAL LIABILITIES		<u>728,411</u>	<u>827,988</u>
NET ASSETS		<u>1,162,953</u>	<u>843,997</u>
EQUITY			
Retained earnings		<u>1,162,953</u>	<u>843,997</u>
TOTAL EQUITY		<u>1,162,953</u>	<u>843,997</u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Retained Earnings \$	Total \$
Balance at 1 January 2019	877,016	877,016
(Deficit) for the year	<u>(33,019)</u>	<u>(33,019)</u>
Balance at 31 December 2019	<u>843,997</u>	<u>843,997</u>
PARSA Cycles deficit for year *	(7,243)	(7,243)
Surplus for the year	<u>326,199</u>	<u>326,199</u>
Balance at 31 December 2020	<u>1,162,953</u>	<u>1,162,953</u>

* PARSA Cycles Pty Ltd was consolidated with the Australian National University Postgraduate and Research Student's Association Incorporated for the first time in the financial year ended 31 December 2020.

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and customers		2,978,416	4,275
Grant received		-	1,865,559
Interest received		10,349	17,363
Payments to suppliers and employees		<u>(2,729,120)</u>	<u>(2,002,427)</u>
Net cash provided by/(used in) operating activities		<u>259,645</u>	<u>(115,230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(39,438)	(43,774)
Purchase of shares		<u>-</u>	<u>(1)</u>
Net cash (used in) investing activities		<u>(39,438)</u>	<u>(43,775)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents held		220,207	(159,005)
Cash and cash equivalents at the beginning of the year		<u>1,501,420</u>	<u>1,660,425</u>
Cash and cash equivalents at end of financial year	4	<u><u>1,721,627</u></u>	<u><u>1,501,420</u></u>

The accompanying notes form part of these financial statements.

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial report includes the consolidated financial statements and notes of Australian National University Postgraduate and Research Students' Association Incorporated (the Association) and controlled entity, PARSA Cycles Pty Ltd (the Group). The Group applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, the Australian National University Postgraduate and Research Students' Association Incorporated, and its subsidiary PARSA Cycles Pty Ltd . Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the subsidiary are provided in Note 13.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements. PARSA Cycles Pty Ltd was consolidated with the Australian National University Postgraduate and Research Student's Association Incorporated for the first time in the financial year ended 31 December 2020. In the prior year, the financial statements of the Association were not consolidated with PARSA Cycles Pty Ltd, as the company's results and financial position were immaterial to the results of the financial position of the Association.

The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Statement of Significant Accounting Policies (Continued)

Accounting Policies

(a) Revenue

The Association has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the cumulative effective method of initial application from 1 January 2019.

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and presented net of returns, discounts and rebates.

Operating Grants, Donations and Bequests

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

When both these conditions are satisfied, the Association:

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

Where the contract is not enforceable or does not have specific performance obligations, the association:

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

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

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Interest income

Interest income is recognised using the effective interest method.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Statement of Significant Accounting Policies (Continued)

(b) Income Tax

The Association is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

(c) Goods and Services Tax (GST)

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

(d) Cash and Cash Equivalents

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

(e) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(f) Property, Plant and Equipment

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Statement of Significant Accounting Policies (Continued)

(f) Property, Plant and Equipment (Continued)

Depreciation

All fixed assets are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Furniture, Fixtures and Fittings	20 – 25%
Office Equipment	25 – 33%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) 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 that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Provisions

Provisions are recognised when the Association 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Statement of Significant Accounting Policies (Continued)

(j) Employee Provisions

Short-term employee benefits

Provision is made for the Association'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 annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of current provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' 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. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

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

(k) Comparative Figures

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

(l) Economic dependence

The Association is dependent on the Australian National University for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Australian National University will not continue to support the Association.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Statement of Significant Accounting Policies (Continued)

(m) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value, when contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value represents the price that would be received to sell an asset in an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. All of the Association's other financial instruments are classified and subsequently measured at amortised cost. The Association applies a simplified approach to calculating expected credit losses (ECL's) for financial assets held at amortised cost by recognising a loss allowance based on lifetime ECL's at each reporting date.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) 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
- (iv) less any reduction for impairment.

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 Association 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 2020

Note 1: Statement of Significant Accounting Policies (Continued)

(n) Critical Accounting Estimates and Judgements Key Estimates

The Association evaluates estimates and judgements incorporated into the financial statements 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

(i) Impairment

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. The Association determined conditions of impairment through obtaining market information about the cost of the existing assets in which would cost to purchase at current arm's length market prices.

(ii) Performance obligations under AASB 15

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

(iii) Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key Judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

The Association has determined that all employees are expected to reach the required years of service to qualify for long-service leave. This probability assessment has been relied upon when computing the calculation to determine long-service leave obligations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Statement of Significant Accounting Policies (Continued)

(n) Critical Accounting Estimates and Judgements Key Estimates (continued)

(ii) Going Concern

The COVID-19 outbreak has impacted the way of life in Australia. In accordance with national guidelines, the association has implemented working arrangements in response to government requirements and to ensure the wellbeing and safety of all employees and visitors.

The Association has determined that there are no going concern risks arising from the impact of the COVID-19 outbreak.

It is not possible to reliably estimate the duration and severity of the impact of COVID-19, as well as the impact on the financial position and results of the Association for future periods. However, based on analysis of the financial performance and position the financial statements have been prepared on a going concern basis. The Association believes at this point in time that there is no significant doubt about its ability to continue as a going concern.

(o) New and Amended Accounting Standards Adopted by the Association

The Association has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the association or refer to the Changes to Accounting Standards above for details of the changes due to standards adopted.

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A.B.N 99 624 251 156**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Note 2: Revenue and Other Income			
ANU Funding		1,845,365	1,802,533
COVID-19 grant funding		771,044	-
Government stimulus – cash flow boost		100,000	-
Sponsorship Income		200	9,405
Events Income		7,684	48,232
PARSA Cycles		57,386	-
Other income		-	2,874
		2,781,679	1,863,044
Total revenue			
Note 3: Cash and Cash Equivalents			
Cash at bank		1,721,627	1,501,420
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		1,721,627	1,501,420
Note 4: Trade and Other Receivables			
CURRENT			
Pledges receivable		16,941	16,665
Other receivables		10,703	6,518
Deposits		3,878	516
Loan – PARSA Cycle Pty Ltd		-	56,077
		31,522	79,776
a. Financial assets classified as trade and other receivables			
Financial assets as trade and other receivables	12	16,941	16,665
Note 5: Inventories			
CURRENT			
Inventories		38,193	10,671
Note 6: Other Current Assets			
CURRENT			
Prepayments		19,792	27,404

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Note 7: Financial Assets			
NON-CURRENT			
Shares in PARSA Cycle Pty Ltd		-	1
	12	<u>-</u>	<u>1</u>

PARSA Cycle Pty Ltd was consolidated with the Australian National University Postgraduate and Research Student's Association Incorporated for the first time in the financial year ended 31 December 2020.

Note 8: Property, Plant and Equipment

Furniture, fixtures and fittings at cost		71,287	58,833
Less accumulated depreciation		<u>(17,310)</u>	<u>(14,746)</u>
		53,977	44,087
Office equipment at cost		32,210	24,539
Less accumulated depreciation		<u>(19,707)</u>	<u>(15,913)</u>
		12,503	8,626
Computer equipment at cost		46,856	46,856
Less accumulated depreciation		<u>(46,856)</u>	<u>(46,856)</u>
		-	-
Leasehold improvements at cost		10,915	-
Less accumulated depreciation		<u>(609)</u>	<u>-</u>
		10,306	-
Plant and equipment at cost		3,773	-
Less accumulated depreciation and impairment losses		<u>(329)</u>	<u>-</u>
		3,444	-
Total property, plant and equipment		<u>80,230</u>	<u>52,713</u>

Movements in carrying amounts

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

	Furniture, fixtures & fittings	Office equipment	Computer equipment	Leasehold improve- ments	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2020	44,087	8,626	-	-	-	52,713
Additions	12,454	12,296	-	10,915	3,773	39,438
Depreciation expense	<u>(2,564)</u>	<u>(8,419)</u>	-	<u>(609)</u>	<u>(329)</u>	<u>(11,921)</u>
Balance at 31 December 2020	<u>53,977</u>	<u>12,503</u>	-	<u>10,306</u>	<u>3,444</u>	<u>80,230</u>

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH
STUDENTS' ASSOCIATION INCORPORATED AND CONTROLLED ENTITY
A.B.N 99 624 251 156**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Note 9: Trade and Other Payables			
CURRENT			
Trade payables		18,120	47,508
GST payable		-	44,857
Accrued expenses		60,523	43,409
Other payables		12,025	13,304
		90,668	149,078
a. Financial liabilities at amortised cost classified as trade and other payables			
Financial liabilities as trade and other payables	12	18,120	47,508
Note 10: Other Current Liabilities			
Unexpended funds – COVID-19 grant		28,956	-
Unexpended funds – student space works		204,602	209,497
		233,558	209,497
Grant payable – SEEF 2018		-	3,300
Grant payable – SEEF 2019		-	18,428
		-	21,728
Unspent Grant – SEEF 2019		19,570	66,186
Unspent Grant – SEEF 2018		83,814	83,814
Unspent Grant – SEEF 2016 & 2017		96,190	96,191
Unspent Grant – Operating (Pre 2017)		142,155	142,154
		341,729	388,345
		575,287	619,570
Note 11: Employee Benefits			
CURRENT			
Provision for annual leave		62,456	59,340

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Note 12: Financial Risk Management			
The Association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: <i>Financial Instruments</i> as detailed in the accounting policies to these financial statements, are as follows:			
Financial assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	3	1,721,627	1,501,420
- Trade and other receivables	4a	16,941	16,665
Financial assets at fair value through other comprehensive income:			
- Financial assets	7	-	1
Total financial assets		1,738,568	1,518,086
Financial liabilities			
Trade and other payables	9a	18,120	47,508
Total financial liabilities		18,120	47,508

Note 13: Particulars in relation to controlled entities

PARSA Cycles Pty Ltd

The Association is the sole shareholder and controls the appointment of all directors to PARSA Cycles Pty Ltd. The Association as a sole member of PARSA Cycles Pty Ltd, has nominated the President and current Chair of the Association to be directors of PARSA Cycles Pty Ltd and no external directors have been appointed.

The purpose of this company is to provide bicycle maintenance and repair services to the ANU community, particular postgraduate students, there by achieving PARSA's objective while segmenting the risk associated with the establishing a new business from PARSA.

PARSA Cycles Pty Ltd was consolidated with the Australian National University Postgraduate and Research Student's Association Incorporated for the first time in the financial year ended 31 December 2020.

**THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH
STUDENTS' ASSOCIATION INCORPORATED AND CONTROLLED ENTITY
A.B.N 99 624 251 156**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Note 14: Related Party Transactions

PARSA Cycles Pty Ltd is a wholly owned subsidiary of the Association. PARSA Cycles Pty Ltd is an Australian proprietary company, limited by shares and has been incorporated in ACT. The Association is the registered holder of 1 share which is equivalent to the value of \$1.

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

PARSA Cycles Pty Ltd was consolidated with the Australian National University Postgraduate and Research Student's Association Incorporated for the first time in the financial year ended 31 December 2020.

The following transactions occurred with related parties:

	2020	2019
	\$	\$
Loan from Australian National University Postgraduate and Research Student's Association Incorporated to PARSA Cycles Pty Ltd	<u>131,384</u>	<u>56,077</u>
	<u>131,384</u>	<u>56,077</u>

Note 15: Contingent Liabilities and Contingent Assets

As at balance date the Association has no known contingent liabilities or contingent assets.

Note 16: Events after the end of the Reporting Period

There is an increasing general disruption to normal economic and business activity, as a result of the COVID-19 pandemic announced by the World Health Organisation in March 2020 and the Federal Government's subsequent announcements and protocols. The entity has sufficient cash reserves to fund operations and whether the estimated 2021 financial impacts of the COVID-19 pandemic.

Other than the matter noted above, there are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Note 17: Association Details

The registered office and principal place of business of the Association is:

The Australian National University Postgraduate and
Research Students' Association Incorporated
Level 2, Di Riddell Student Centre
Building 154, University Avenue
Australian National University, Action, 2601

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH STUDENTS' ASSOCIATION INCORPORATED AND CONTROLLED ENTITY

Report on the Audit of the Financial Reports

Opinion

We have audited the accompanying financial report of the Australian National University Postgraduate and Research Students' Association Incorporated (the association) and its controlled entity PARSA Cycles Pty Ltd, which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the association's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ACNC Act and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 1(n)(ii) of the financial report which notes the outbreak of COVID-19 as a global pandemic and how this has been considered by the members on the preparation of the financial report. The impact of COVID-19 is an unprecedented event, which continues to cause a level of uncertainty and volatility. As set out in the financial statements, no adjustments have been made to financial statements as at 31 December 2020 for the impacts of COVID-19. The association believes that at this point in time there is no significant doubt about its ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2020 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN NATIONAL UNIVERSITY POSTGRADUATE AND RESEARCH STUDENTS' ASSOCIATION INCORPORATED AND CONTROLLED ENTITY (CONTINUED)

Responsibilities of the Directors for the Financial Report (continued)

In preparing the financial report, the directors are responsible for assessing the ability of the registered entity 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 intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibility 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 registered entity'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 registered entity'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 registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

