

**UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011**

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FOR THE YEAR ENDED 25 DECEMBER 2011**

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UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 25 DECEMBER 2011

	NOTE	2011	2010
REVENUE			
Grant income	2 (c)	1,115,712	1,096,090
Sales income		14,140,539	13,715,376
Rent received		700,000	698,328
Interest received	2 (d)	188,902	165,233
Net profit on disposal of assets	2 (b)	-	28,109
Other income	2 (e)	<u>1,991,975</u>	<u>1,720,751</u>
Total Income		<u>18,137,128</u>	<u>17,423,887</u>
EXPENSES			
Cost of sales	2 (a)	6,488,701	6,845,066
Employee benefits		7,054,595	7,261,029
Cleaning costs		599,065	509,146
Depreciation	2 (a)	628,615	495,287
Grants expenditure		143,894	220,227
Insurance		106,636	101,932
Power & water		382,523	319,648
Repairs & maintenance		321,771	342,115
Advertising		184,896	212,232
Audit fees	2 (a)	28,690	28,035
Bad debts provisions	2 (a)	-	170
Lease expenses		50,783	68,718
Net loss on disposal of assets		1,131	
Packaging		167,892	218,472
Rent paid		-	3,571
Security costs		130,271	145,468
Telephone		33,125	37,262
Legal fees		18,584	3,256
Professional fees		257,580	287,147
Events & projects		444,721	595,788
Other expenses		<u>92,588</u>	<u>104,812</u>
Total Expense		<u>17,136,061</u>	<u>17,799,381</u>
Profit/(Loss) before reserve transfers and other income items		<u>1,001,067</u>	<u>(375,494)</u>
Profit/(Loss) of the Union		1,001,067	(375,494)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		<u>1,001,067</u>	<u>(375,494)</u>

The accompanying notes form part of these financial statements

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
STATEMENT OF FINANCIAL POSITION
AS AT 25 DECEMBER 2011

	NOTE	2011	2010
CURRENT ASSETS			
Cash and cash equivalents	3	3,655,445	2,414,289
Trade and other receivables	4	435,821	467,786
Inventories	5	756,929	1,004,957
Other current assets	6	<u>126,710</u>	<u>146,771</u>
TOTAL CURRENT ASSETS		<u>4,974,905</u>	<u>4,033,803</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	<u>4,225,208</u>	<u>4,426,359</u>
TOTAL NON CURRENT ASSETS		<u>4,225,208</u>	<u>4,426,359</u>
TOTAL ASSETS		<u>9,200,113</u>	<u>8,460,162</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,262,659	1,475,880
Provisions	9	<u>550,243</u>	<u>579,119</u>
TOTAL CURRENT LIABILITIES		<u>1,812,902</u>	<u>2,054,999</u>
NON CURRENT LIABILITIES			
Provisions	9	<u>50,708</u>	<u>69,727</u>
TOTAL NON CURRENT LIABILITIES		<u>50,708</u>	<u>69,727</u>
TOTAL LIABILITIES		<u>1,863,610</u>	<u>2,124,726</u>
NET ASSETS		<u>7,336,503</u>	<u>6,335,436</u>
EQUITY			
Accumulated funds		<u>7,336,503</u>	<u>6,335,436</u>
TOTAL EQUITY		<u>7,336,503</u>	<u>6,335,436</u>

The accompanying notes form part of these financial statements

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 25 DECEMBER 2011

	Accumulated Funds	Total
Balance at 1 January 2010	6,710,930	6,710,930
Total comprehensive income	(375,494)	(375,494)
Balance at 26 December 2010	<u>6,335,436</u>	<u>6,335,436</u>
Total comprehensive income	1,001,067	1,001,067
Balance at 25 December 2011	<u><u>7,336,503</u></u>	<u><u>7,336,503</u></u>

The accompanying notes form part of these financial statements

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 25 DECEMBER 2011

	NOTE	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants received		1,115,712	1,096,090
Other receipts from customers		16,884,540	15,758,478
Payments to suppliers and employees		(16,693,435)	(17,341,082)
Interest received		<u>188,902</u>	<u>165,233</u>
Net cash provided by (used in) operating activities	10 (a)	<u>1,495,719</u>	<u>(321,281)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	28,109
Payments for property, plant and equipment		<u>(254,563)</u>	<u>(1,363,371)</u>
Net cash provided by (used in) investing activities		<u>(254,563)</u>	<u>(1,335,262)</u>
Net increase/(decrease) in cash held		1,241,156	(1,656,543)
Cash at beginning of year		<u>2,414,289</u>	<u>4,070,832</u>
Cash at end of year	3	<u>3,655,445</u>	<u>2,414,289</u>

The accompanying notes form part of these financial statements

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers University of Queensland Union as an individual entity. University of Queensland Union is an unincorporated organisation comprised of students enrolled at the University of Queensland and has been in existence since 1911. The general objective of the Union is to provide service, support and representation to the students of the University of Queensland.

The financial report of the University of Queensland Union complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the organisation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Inventories

Inventories are measured at the lower of cost and net realisable value.

(b) Property, plant & equipment

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

Property, plant and equipment are measured on the cost basis.

The carrying amount of property, plant and equipment is reviewed annually by the Executive 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.

The cost of fixed assets constructed within the organisation includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 organisation and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The majority of assets, including capitalised leased assets, are depreciated on a straight-line basis over their useful lives to the union commencing from the time the asset is held ready for use.

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

<i>Class of Asset</i>	<i>Depreciation Rate</i>
IT Equipment	33.5%
Office Equipment	20.0%
Furniture, fixtures & fittings	20%
Plant and equipment	20%
Leasehold improvements	6.65%
Motor Vehicles	15.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial 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.

(c) *Leases*

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Union, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

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.

(d) *Financial Instruments*

Recognition

Financial instruments are initially measured at cost on transaction date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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 stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(e) Impairment of Assets

At each reporting date, the Union 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 comprehensive income.

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

(f) 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 12 months or less, excluding bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Employee Benefits

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

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Fees and grants income are recognised on an accruals basis consistent with the provision of the relevant student service. All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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. Trade Debtors and Trade Creditors in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Trade and Other Receivables

Trade receivables are carried at original invoice amount less any provision for doubtful debts. The ability to collect debts is assessed at year end and specific provision is made for any doubtful accounts which are classified as loans and receivables under AASB 139. Bad debts are written off as incurred.

(k) Trade and Other Payables

Trade creditors are recognised upon receipt of the goods or services offered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(l) Comparative Figures

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

(m) Critical accounting estimates and judgments

The Union evaluated 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 Union.

(n) Reporting date year end

To coincide with internal financial reporting which is based on a 52 week reporting cycle, the financial year runs from 27 December 2010 to 25 December 2011 covering a 365 day period, as the 2010 financial year ended 26 December 2010.

Key estimates — Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union 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 estimates — Impairment

No impairment has been recognised in regard to the assets of the Union at 25 December 2011.

Key judgments — Doubtful debts provision

A provision for doubtful debts was raised based on a review of the outstanding accounts as at 25 December 2011. Provided against the accounts receivable balance as at 25 December 2011 is an amount of \$11,335 for debtors believed to be doubtful due to the type and the age of the debt. Included in this amount is \$432 provided against student emergency loans outstanding.

NOTE 2: PROFIT /(LOSS) FOR YEAR

	2011	2010
(a) Expenses		
- Cost of sales	6,488,701	6,845,066
- Depreciation of property, plant and equipment	628,615	495,287
- Bad and doubtful debts	-	170
Remuneration of auditor		
- audit or review	28,690	28,035
(b) Revenue and Net Gains		
Net gain/(loss) on disposal of property, plant and equipment	-	28,109
(c) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
- Grant income	1,115,712	1,096,090
- Employee redundancy expense	14,283	86,079
(d) Interest revenue from:		
- other corporations	188,902	165,233
(e) Other income		
- Business Interruption Insurance proceeds during 2011 QLD flood	101,267	-
- Refund of overcharged workcover premium from 2009 - 2010	216,221	-
- Income from other operating activities	<u>1,674,487</u>	<u>1,720,751</u>
	<u>1,991,975</u>	<u>1,720,751</u>

UNIVERSITY OF QUEENSLAND UNION
 ABN 62 838 507 686
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 3: CASH AND CASH EQUIVALENTS	2011	2010
Cash on hand	45,551	44,589
Cash at bank	<u>3,609,894</u>	<u>2,369,700</u>
	<u>3,655,445</u>	<u>2,414,289</u>
<i>Reconciliation of cash</i>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>3,655,445</u>	<u>2,414,289</u>
	<u>3,655,445</u>	<u>2,414,289</u>
 NOTE 4: TRADE AND OTHER RECEIVABLES		
<i>Current</i>		
Trade receivables	154,058	186,628
Provision for Impairment of receivables	<u>(10,903)</u>	<u>(13,728)</u>
	143,155	172,900
Student Loan receivables	6,339	10,438
Provision for impairment of receivables	<u>(432)</u>	<u>(3,313)</u>
	5,907	7,125
Other receivables	<u>286,759</u>	<u>287,761</u>
	<u>435,821</u>	<u>467,786</u>
 NOTE 5: INVENTORIES		
<i>Current</i>		
Finished goods at cost	<u>756,929</u>	<u>1,004,957</u>
 NOTE 6: OTHER CURRENT ASSETS		
<i>Current</i>		
Prepayments	<u>126,710</u>	<u>146,771</u>
 NOTE 7: PROPERTY, PLANT & EQUIPMENT		
Leasehold improvements at cost	3,413,781	3,325,373
Less accumulated depreciation	<u>(415,125)</u>	<u>(184,185)</u>
	2,998,656	3,141,188
Furniture and Fittings at cost	361,247	333,009
Less accumulated depreciation	<u>(111,010)</u>	<u>(45,402)</u>
	250,237	287,607
Plant and equipment at cost	746,008	658,114
Less accumulated depreciation	<u>(272,984)</u>	<u>(122,672)</u>
	473,024	535,442
Office equipment at cost	242,826	225,737
Less accumulated depreciation	<u>(95,975)</u>	<u>(37,848)</u>
	146,851	187,889
IT equipment at cost	408,634	366,621
Less accumulated depreciation	<u>(222,851)</u>	<u>(101,490)</u>
	185,783	265,131
Motor Vehicles at cost	12,370	10,750
Less accumulated depreciation	<u>(3,311)</u>	<u>(1,648)</u>
	9,059	9,102
Capital Work in Progress at cost	<u>161,598</u>	<u>-</u>
Total property, plant and equipment	<u>4,225,208</u>	<u>4,426,359</u>

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 7: PROPERTY, PLANT & EQUIPMENT

(a) Movements in carrying amounts

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

	<i>Furniture Fittings</i>	<i>Plant Equipment</i>	<i>Office Equipment</i>	<i>IT Equipment</i>	<i>Motor Vehicles</i>	<i>Capital WIP</i>	<i>Leasehold Improvement</i>	<i>Total</i>
Carrying amount at the start of year	287,607	535,442	187,889	265,131	9,102		3,141,188	4,426,359
Additions at cost	30,505	87,894	17,869	42,290	1,820		90,051	270,229
Disposals and write offs at WDV	(2,232)		(580)	(185)			(1,366)	(4,362)
Depreciation	(65,643)	(150,312)	(58,327)	(121,453)	(1,663)		(231,217)	(628,615)
WIP						161,598		161,598
Carrying amount at end of the year	250,237	473,024	146,851	185,783	9,059	161,598	2,998,856	4,225,208

	2011	2010
NOTE 8: TRADE & OTHER PAYABLES		
<i>Current</i>		
Trade payables	212,222	641,437
Sundry payables and accrued expenses	987,472	757,419
Income in advance	62,965	77,024
	<u>1,262,659</u>	<u>1,475,880</u>

NOTE 9: PROVISIONS

<i>Current</i>		
Employee benefits	<u>550,243</u>	<u>579,119</u>
<i>Non-current</i>		
Employee benefits	<u>50,708</u>	<u>69,727</u>

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

	Annual Leave	Long Service Leave
Opening Balance at 26 December 2010	274,911	373,965
Additional provisions raised during the year	305,350	16,522
Amounts Used	<u>(325,066)</u>	<u>(44,731)</u>
Balance as at 25 December 2011	<u>255,195</u>	<u>345,756</u>

NOTE 10: CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with Profit before reserve transfers.

Profit/(loss) of the Union	1,001,067	(375,494)
<i>Non-cash flows in profit from ordinary activities</i>		
Depreciation	628,615	495,287
Net (profit) /loss on disposal of property, plant & equipment	1,131	
Write off of Assets (refer Note 7)		426
Unpaid PPE as at reporting date	(174,032)	(282,920)

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 10: CASH FLOW INFORMATION

Changes in assets and liabilities:

(Increase)/decrease in receivables	36,669	(59,902)
Increase/(decrease) in provision for doubtful debts	(5,706)	(13,593)
(Increase)/decrease in inventories	248,028	280,830
(Increase)/decrease in other assets	21,063	(330,591)
Increase/(decrease) in payables	(213,221)	118,527
Increase/(decrease) in provisions	<u>(47,895)</u>	<u>(153,851)</u>

Cash Flows from operations	<u>1,495,719</u>	<u>(321,281)</u>
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(b) Credit stand-by arrangements with banks Credit facility	80,000	80,000
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The credit facility relates to the Union credit cards, of the \$80,000, \$50,000 is unused.

(c) Non-cash financing
During the year no assets were purchased by means of finance lease or hire purchase.

NOTE 11: RELATED PARTIES

(a) Transactions with related parties
Transactions with related parties have been entered into at arms length unless stated otherwise.

The Union is an unincorporated organisation comprised primarily of students enrolled at the University of Queensland and has been established since 1911.

(b) Products and Services provided by the University to the Union are for reimbursement of expenditure, or product or services acquired at normal commercial terms.

(c) The University remitted by way of grant \$1,115,712 (2010: \$1,096,090).

(d) Since the Union's establishment on the St Lucia campus in approximately 1911, the Union has occupied at no charge certain properties under a licence to occupy from the University. From 1st January 2010, the University and UQ Union has entered into a funding and services agreement which governs the operational relationship between the two. As per the agreement, the lease income from the sub-lease of the UQU premises is now contributed into a structural fund which is then used to provide funding in support of student services and activities. No commercial rent has been earned directly by the UQU as per the terms of the agreement during 2010. The reimbursement from the structural fund for 2011 was \$700,000 (2010: \$698,328).

(e) The University has remitted \$948,074 in 2011 (2010: \$569,449) to the Union, comprising sale of products and services and reimbursement of refurbishment costs.

(f) At 25 December 2011, the Union was owed \$63,950 (2010: \$62,673) by the University. The Union's records have also recorded liabilities owing to the University of \$56,394 (2010: \$330,577)

NOTE 12: KEY MANAGEMENT PERSONNEL AND COMPENSATION

(a) Executive Information
Ben Gorrie - President
Colin Finke - President
Brodie Thompson- Secretary
Michelle Delport - Secretary
Hanna Bona - Treasurer
Whan Hee Cho - Treasurer

(b) Remuneration	2011 Salary	2011 Superannuation	2010 Salary	2010 Superannuation
Total	<u>104,314</u>	<u>7,927</u>	<u>105,782</u>	<u>9,034</u>

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 13: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable. Details of the classification and carrying value of those financial instruments are disclosed in the statement of financial position and Note 1.

The Union does not have any derivative instruments at 25 December 2011.

Financial Risks

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

For details on interest rate risk see 13 (b).

Foreign Currency Risk

The Union is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring cash funds are maintained.

Credit Risk

For details on credit risk see 13(d).

Price Risk

The Union is not exposed to any material commodity price risk.

(b) Interest Rate Risk

The Union's exposure to interest rate risk is limited to the variability of future cash flows from the entity's cash and cash equivalents resulting from changes in market interest rates.

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 13: FINANCIAL INSTRUMENTS

(c) Maturity analysis of financial assets and financial liabilities

	At Call		0-12 months		1-5 years		>5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Financial Assets										
Cash & cash equivalents	3,655,445	2,414,289							3,655,445	2,414,289
Trade & other receivables	435,821	467,786							435,821	467,786
	4,091,266	2,882,075							4,091,266	2,882,075
<hr/>										
Financial Liabilities										
Trade & Other Payables	1,262,659	1,475,880							1,262,659	1,475,880
	1,262,659	1,475,880							1,262,659	1,475,880
<hr/>										
Net Maturity Position	2,828,607	1,406,195							2,828,607	1,406,195

(d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial statement.

Except for accounts receivable payable by the University of Queensland to the Union, the Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments which it has entered into.

(e) Net Fair Values

The carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements. Fair values are materially in line with carrying values.

(f) Sensitivity analysis - interest rate risk

The impact on the net profit/(loss) resulting from a 25 basis point increase/decrease in deposit rates applicable to cash and cash equivalents is immaterial to the Union.

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 DECEMBER 2011

NOTE 14: MANAGEMENT AGREEMENT WITH THE UNIVERSITY OF QUEENSLAND

The Management Agreement regulates the occupation of University land and buildings by the Union and defines the basis on which the University will allocate an annual grant, over five years (2010 to 2015), to the Union. A key feature of the agreement is as follows:

The University has granted the Union a non-exclusive licence to occupy and use the buildings and facilities located within and forming part of the Union Complex. The University will not unreasonably remove the Union from its occupation providing that the Union is able to use the premises for providing services and support to the students of the University.

NOTE 15: EVENTS AFTER BALANCE SHEET DATE

The financial report was authorised for issue on the date that the Union Treasurer signed the Statement by the Treasurer.

NOTE 16: UNION DETAILS

The principal activities of the Union are to:

- represent the students of the University in matters which may concern them;
- maintain communication between the students and other sections of the University community; and
- provide a range of services to the student body.

The principal place of business of the Union is:

University of Queensland Union
Union Building 21
University of Queensland
ST LUCIA QLD 4072

UNIVERSITY OF QUEENSLAND UNION
ABN 62 838 507 686
STATEMENT BY THE TREASURER
FOR THE YEAR ENDED 25 DECEMBER 2011

In the opinion of the Treasurer of the University of Queensland Union:

- a) the statement of comprehensive income is drawn up so as to give a true and fair view of the results of the Union for the year ended 25 December 2011.
- b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Union as at 25 December 2011.
- c) the financial report has been drawn up in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and the provisions of the Constitution and Regulations of the Union.


..... Treasurer
Whan Hee Cho

Dated at Brisbane this 3rd day of May 2012.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF QUEENSLAND UNION

We have audited the accompanying financial report of University of Queensland Union, which comprises the statement of financial position as at 25 December 2011 and the 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 statement by the Treasurer.

Treasurer's Responsibility for the Financial Report

The Treasurer of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the Treasurer determines is necessary to enable the preparation of the 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 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 about 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 of the financial report that gives a true and fair view 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, as well as evaluating the overall presentation of the financial report.

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

Independence

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNIVERSITY OF QUEENSLAND UNION (Continued)**

Opinion

In our opinion the financial report of University of Queensland Union has been drawn up to:

- (i) give a true and fair view of the Union's financial position as at 25 December 2011 and of its performance and its cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards including the Australian Accounting interpretations.

Bentleys

**BENTLEYS BRISBANE (AUDIT) PTY LTD
CHARTERED ACCOUNTANTS**

Maun Power

**PM POWER
DIRECTOR**

Dated in Brisbane on this 3 day of May 2012