

MONASH STUDENT ASSOCIATION (CLAYTON) INC.
(ABN 20 147 061 074)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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REPORT BY THE EXECUTIVE COMMITTEE

Your executive committee present this report on the association for the year ended 31 December 2016.

Committee Members

The names of each person who has been a committee member during the year and to the date of this report are maintained in a register at the principal place of business of the association and can be reviewed upon written request to the Executive Committee.

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

Principal Activities

The principal activities of the association during the financial year were provision of student representation and services at Monash University (Clayton Campus).

Objectives and Strategies

The long-term objective of the association as a student led organisation that represents students and supports the Clayton campus community is to be a trusted leader in student engagement and experience.

In order to achieve this the association has a number long-term and short-term objectives and strategies which include:

- Monash Student Association (MSA) membership – Encouraging increasing numbers of students to engage in the social and political life of the University by becoming members of student organisations and utilising services run by them;
- Student services and activities – Over time, improving and maintaining the quality of services and activities and making sure they are responsive to student needs as they change from time to time;
- Relations between staff and elected students– Positive and constructive; staff to facilitate and mentor students representatives in a manner that complements their vision and goals;
- Relations with the University – Well integrated as a collaborator and innovator insofar as to gain direct student and organisational benefits, while still remaining an autonomous and responsive body for student representation. Internal values and objectives should not be compromised or shifted to fulfil this outcome;
- Physical amenities – Ensuring our existing amenities are safe, clean and appealing; while looking for new locations to better serve students beyond existing MSA areas;
- Revenue and funding – Always conscious of ongoing viability; seeking inventive ways of maintaining and increasing funding; and
- MSA as a workplace - Being a fair, respected and respectful employer of staff, i.e. an employer of preference.

Performance measures

MSA measures its performance via the use of both quantitative and qualitative standards. These standards are used by the Executive Committee and senior staff at MSA to assess the financial sustainability of the organisation and to ensure that MSA short and long term objectives are being met.

Our targets are measured within the framework of the MSA strategic plan which is managed and approved by the Executive Committee. Additionally under the University funding provisions there are a series of measurements and auditing processes that MSA must report to throughout the year.

Monash Student Association (Clayton) Inc.
(ABN 20 147 061 074)

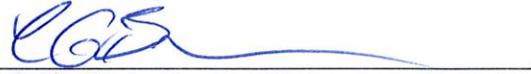
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under subdivision 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 5 of this financial statement.

Signed in accordance with a resolution of the Committee.



Matilda Grey
President



Caitlin Brown
Treasurer



Jessica Stone
Secretary

Dated this 30th day of March 2017.

Auditor's Independence Declaration to the Board of Members of Monash Student Association (Clayton) Inc.

I declare that, in relation to our audit of the financial report of Monash Student Association (Clayton) Inc. for the financial year ended 31 December 2016, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in respect of the audit.



CROWE HORWATH VIC



GORDON ROBERTSON

Partner

Date: 30th March 2017

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Continuing operations			
Revenue	2	5,069,730	4,735,506
Other income	2	212,817	243,697
Administrative and office expenditure		(229,917)	(162,277)
Consultancy and legal fees		(30,645)	(30,327)
Cost of goods sold	3	(351,995)	(345,983)
Depreciation expense	3	(154,340)	(166,157)
Employee benefits expense		(3,814,704)	(3,367,509)
Information technology expenditure		(164,166)	(67,963)
Services related expenditure		(1,030,650)	(947,113)
Other expenses		(61,798)	(54,620)
Deficit before income tax		(555,668)	(162,746)
Income tax expense	1(a)	-	-
Deficit for the year		(555,668)	(162,746)
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Deficit attributable to:			
Members of the association		(555,668)	(162,746)
Deficit for the year		(555,668)	(162,746)
Total comprehensive deficit attributable to:			
Members of the association		(555,668)	(162,746)
Total comprehensive deficit for the year		(555,668)	(162,746)

The accompanying notes form part of these financial statements.

Monash Student Association (Clayton) Inc.
(ABN 20 147 061 074)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12(a)	444,475	55,155
Trade and other receivables	4	946,490	416,156
Inventories	5	20,506	18,221
Financial assets	6	6,905,428	7,502,074
Other current assets	7	120,564	73,678
TOTAL CURRENT ASSETS		8,437,463	8,065,284
NON-CURRENT ASSETS			
Plant and equipment	8	247,228	334,214
TOTAL NON-CURRENT ASSETS		247,228	334,214
TOTAL ASSETS		8,684,691	8,399,498
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,595,520	728,818
Short-term provisions	10	430,779	435,346
Other current liabilities	11	78,191	73,505
TOTAL CURRENT LIABILITIES		2,104,490	1,237,669
NON-CURRENT LIABILITIES			
Long-term provisions	10	43,789	69,749
TOTAL NON-CURRENT LIABILITIES		43,789	69,749
TOTAL LIABILITIES		2,148,279	1,307,418
NET ASSETS		6,536,412	7,092,080
EQUITY			
Accumulated surplus		6,536,412	7,092,080
TOTAL EQUITY		6,536,412	7,092,080

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2016**

	Accumulated Surplus \$	Total \$
Balance at 1 January 2015	7,254,826	7,254,826
Deficit for the year	(162,746)	(162,746)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(162,746)</u>	<u>(162,746)</u>
Balance at 31 December 2015	<u>7,092,080</u>	<u>7,092,080</u>
Balance at 1 January 2016	7,092,080	7,092,080
Deficit for the year	(555,668)	(555,668)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(555,668)</u>	<u>(555,668)</u>
Balance at 31 December 2016	<u>6,536,412</u>	<u>6,536,412</u>

The accompanying notes form part of these financial statements.

Monash Student Association (Clayton) Inc.
 (ABN 20 147 061 074)

**STATEMENT OF CASH FLOWS
 FOR YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from grants received and services provided		4,523,278	4,497,879
Payments to suppliers and employees		(4,896,862)	(5,104,902)
Interest received		233,621	213,468
Net cash used in operating activities	12(b)	(139,963)	(393,555)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(67,363)	(217,560)
Cash receipts from maturity of financial assets		8,802,074	7,199,274
Cash payments from reinvestment of financial assets		(8,205,428)	(7,852,074)
Net cash provided by/(used in) investing activities		529,283	(870,360)
Net increase/(decrease) in cash and cash equivalents		389,320	(1,263,915)
Cash and cash equivalents at beginning of year		55,155	1,319,070
Cash and cash equivalents at end of year	12(a)	444,475	55,155

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the association, Monash Student Association (Clayton) Inc., incorporated and domiciled in Australia.

For the purposes of preparing the financial statements, the association is a not-for-profit entity.

Statement of Compliance

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, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*.

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

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax

As the Incorporated Association is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

(b) 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.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(d) Plant and Equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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 entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the executive committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the estimated replacement cost of the asset. The cost of plant and equipment constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Plant and Equipment (continued)

Depreciation

The depreciable amount of all plant and equipment are depreciated over their useful lives to the association commencing from the time the asset is held ready for use.

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

Class of Plant and Equipment	Depreciation rates	Depreciation method
Plant and equipment	25% - 40%	Straight line
Furniture and fittings	20%	Straight line
Motor vehicles	22.52%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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 comprehensive income.

(e) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible 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 replacement cost, 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.

(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. 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

Finance instruments are subsequently measured at 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: (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.

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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments (continued)

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 stated at amortised cost.

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.

iii. Financial liabilities, including trade and other payables

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 expire. 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.

(g) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to reporting 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.

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

(h) Revenue

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

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and sponsorships are recognised as revenue when received.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue (continued)

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.

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

(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 reporting date.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(k) Critical Accounting Estimates and Judgments

The executive committee evaluates 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

i. Impairment

The association assesses impairment at each reporting date 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.

No impairment has been recognised in respect of plant and equipment at reporting date.

ii. Employee benefits provision

As per Note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key Judgments

i. Provision for impairment of receivables

Included in trade receivables is an amount of \$2,000 (2015: \$2,000) which the executive committee regard as doubtful.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:

- (i) it is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- (ii) it is held primarily for the purpose of trading; or
- (iii) it is expected to be realised within twelve months after the reporting period; or
- (iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or
- (iii) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(m) Comparative Figures

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

(n) New, revised or amending Accounting Standards and Interpretations adopted

During the current year, the Association has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has not significantly impacted the recognition and measurement of transactions and the presentation and disclosures of the financial statements.

There are no new and revised accounting standards issued but not yet effective as at the date of signing of the financial statements which the Company has decided to early adopt.

(o) Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

(p) Comparative Figures

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

	Note	2016 \$	2015 \$
NOTE 2: REVENUE			
<i>Sales revenue</i>			
- Grant income		2,774,425	2,495,410
- Sale of goods		759,121	816,705
- Service revenue		<u>1,536,184</u>	<u>1,423,391</u>
		<u>5,069,730</u>	<u>4,735,506</u>
<i>Other revenue</i>			
- Interest income		202,873	240,130
- Sundry income		<u>9,944</u>	<u>3,567</u>
		<u>212,817</u>	<u>243,697</u>
Total revenue and other revenue		<u>5,282,547</u>	<u>4,979,203</u>
NOTE 3: EXPENSES			
Depreciation expense:			
- Plant and equipment		118,056	138,526
- Furniture and fittings		15,855	23,258
- Motor vehicles		<u>20,429</u>	<u>4,373</u>
		<u>154,340</u>	<u>166,157</u>
Cost of goods sold		<u>351,995</u>	<u>345,983</u>
Net loss on disposal of plant and equipment		<u>9</u>	<u>29</u>
NOTE 4: TRADE AND OTHER RECEIVABLES			
Trade receivables		57,656	76,471
Less: Provision for doubtful debts		<u>(2,000)</u>	<u>(2,000)</u>
		55,656	74,471
Other receivables		<u>884,876</u>	<u>341,685</u>
Trade and other receivables classified as financial assets	16	940,532	416,156
GST receivable		<u>5,958</u>	<u>-</u>
		<u>946,490</u>	<u>416,156</u>
NOTE 5: INVENTORIES			
Finished goods		<u>20,506</u>	<u>18,221</u>
NOTE 6: FINANCIAL ASSETS			
Term deposits	16	<u>6,905,428</u>	<u>7,502,074</u>

	Note	2016 \$	2015 \$
NOTE 7: OTHER CURRENT ASSETS			
Prepayments		120,564	73,678
NOTE 8: PLANT AND EQUIPMENT			
<i>Plant and equipment:</i>			
At cost		645,482	737,558
Accumulated depreciation		(492,752)	(526,123)
		152,730	211,435
<i>Furniture and fittings:</i>			
At cost		184,298	200,191
Accumulated depreciation		(151,968)	(160,009)
		32,330	40,182
<i>Motor vehicles:</i>			
At cost		90,229	90,229
Accumulated depreciation		(28,061)	(7,632)
		62,168	82,597
Total plant and equipment		247,228	334,214

Movements in Carrying Amounts

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

	Plant and equipment \$	Furniture and fittings \$	Motor vehicles \$	Total \$
2016				
Balance at beginning of the year	211,435	40,182	82,597	334,214
Additions	59,360	8,003	-	67,363
Disposals	(9)	-	-	(9)
Depreciation	(118,056)	(15,855)	(20,429)	(154,340)
Balance at end of the year	152,730	32,330	62,168	247,228

	Note	2016 \$	2015 \$
NOTE 9: TRADE AND OTHER PAYABLES			
<i>Unsecured liabilities</i>			
Trade payables		1,369,066	578,529
Other payables		226,454	138,051
Trade and other payables classified as financial liabilities	16	1,595,520	716,580
GST payable		-	12,238
		1,595,520	728,818

	Note	2016 \$	2015 \$
NOTE 10: PROVISIONS			
Current			
Annual leave		241,099	233,703
Long service leave		189,680	201,643
		<u>430,779</u>	<u>435,346</u>
Non-current			
Long service leave		43,789	69,749
		<u>474,568</u>	<u>505,095</u>
NOTE 11: OTHER CURRENT LIABILITIES			
Income received in advance		78,191	73,505
		<u>78,191</u>	<u>73,505</u>
NOTE 12: CASH AND CASH EQUIVALENTS			
<i>(a) Reconciliation of cash and cash equivalents</i>			
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 at bank		437,610	48,340
Cash on hand		6,865	6,815
Total cash and cash equivalents	16	<u>444,475</u>	<u>55,155</u>
<i>(b) Reconciliation of cash flows from operations with deficit for the year</i>			
Deficit for the year		(555,668)	(162,746)
Non-cash flows in deficit for the year			
Depreciation		154,340	166,157
Net loss on disposal of plant and equipment		9	29
Changes in assets and liabilities:			
Increase in trade and other receivables		(530,334)	(160,833)
Increase in inventories		(2,285)	(716)
Increase in other current assets		(46,886)	(331)
Increase/(Decrease) in trade and other payables		866,702	(180,114)
Increase/(Decrease) in other current liabilities		4,686	(107,023)
(Decrease)/Increase in provisions		(30,527)	52,022
		<u>(139,963)</u>	<u>(393,555)</u>
<i>(c) Non-cash transactions:</i>			
There were no non-cash investing or financing activities.			

Note	2016 \$	2015 \$
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NOTE 13: CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2016 (2015: \$nil).

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority or responsibility for planning and controlling the activities of the association, directly or indirectly, including any member of the executive committee (whether executive or otherwise) of the association is considered key management personnel (KMP). The totals of remuneration paid to KMP of the association during the financial year are as follows:

KMP compensation	<u>793,042</u>	<u>767,917</u>
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NOTE 15: RELATED PARTY TRANSACTIONS

Related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members.

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

There were no related party transactions during the year.

NOTE 16: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The association's financial instruments consist mainly of deposits with banks, short-term deposits and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	12(a)	444,475	55,155
Financial assets – term deposits	6	6,905,428	7,502,074
Trade and other receivables (excluding statutory assets)	4	<u>940,532</u>	<u>416,156</u>
Total Financial Assets		<u>8,290,435</u>	<u>7,973,385</u>

Financial Liabilities

Financial liabilities at amortised cost:

- Trade and other payables (excluding statutory liabilities)	9	<u>1,595,520</u>	<u>716,580</u>
Total Financial Liabilities		<u>1,595,520</u>	<u>716,580</u>

NOTE 17: EVENTS AFTER REPORTING DATE

No matters or circumstances 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	2016 \$	2015 \$
NOTE 18: LEASE COMMITMENTS			
Operating Lease Commitments			
Payable - minimum lease payments			
- not later than one year		35,740	-
- later than one year and not later than five years		63,162	-
		<u>98,902</u>	<u>-</u>

Operating leases comprise:

Non-cancellable operating leases comprise leases for computer equipment with varying lease terms which are payable in monthly instalments over a period of 36 months.

NOTE 19: ASSOCIATION DETAILS

The principal place of business of the association is:

Monash University Campus Centre
Wellington Road
Clayton Victoria 3168

STATEMENT BY THE MEMBERS OF THE EXECUTIVE COMMITTEE

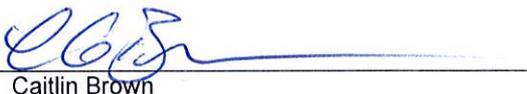
In accordance with a resolution by the members of the Executive Committee of Monash Student Association (Clayton) Inc., the members of the Executive Committee of the Association declare that:

1. The financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Associations Incorporation Reform Act 2012* and:
 - a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. Give a true and fair view of the financial position of the Association as at 31 December 2016 and of its performance for the financial year ended on that date; and
2. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

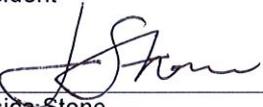
Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*:



Matilda Grey
President



Caitlin Brown
Treasurer



Jessica Stone
Secretary

Dated this 30th day of March 2017.

Independent Auditor's Report to the Members of Monash Student Association (Clayton) Inc.

Opinion

We have audited the financial report of Monash Student Association (Clayton) Inc. (the Association), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the executive committee.

In our opinion, the accompanying financial report of the Monash Student Association (Clayton) Inc. has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 31 December 2016 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the *Associations Incorporation Reform Act 2012* 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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The executive committee is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 2016, 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 Executive Committee for the Financial Report

The executive committee of the Association is 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 ACNC Act and for such internal control as the executive committee 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.

In preparing the financial report, the executive committee is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.



CROWE HORWATH VIC



GORDON ROBERTSON

Partner

Dated at Pakenham this 5th day of April 2017

COMPILATION REPORT

To Monash Student Association (Clayton) Inc.

On the basis of information provided by the executive committee of the Monash Student Association (Clayton) Inc. we have compiled, in accordance with APES 315 Compilation of Financial Information, the income and expenditure statement for the year ended 31 December 2016.

The Responsibility of Directors

The directors of Monash Student Association (Clayton) Inc. are solely responsible for the information contained in the income and expenditure statement and have determined that the accounting policies used are consistent with the financial reporting requirements of the constitution and are appropriate to meet the needs of the executive committee.

Our Responsibility

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the executive committee provided, in compiling the income and expenditure statement. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The income and expenditure statement was compiled exclusively for the benefit of the executive committee. We do not accept responsibility to any other person (other than Monash Student Association (Clayton) Inc.) in respect of the contents of the income and expenditure statement, including any error or omissions therein however caused.



CROWE HORWATH (AUST) PTY LTD



GORDON ROBERTSON

Principal

Date: 30th March 2017