

# 16 ANNUAL REPORT

---

**31 DECEMBER  
2016**



UNIVERSITY OF  
SYDNEY UNION

After the previous two years of construction and development, 2016 was the year of stabilisation for the University of Sydney Union (USU). Our program to develop our facilities to the standard we desired for the community was substantially complete and enabled us to get back to the core operating intent of providing the best student experience in the country.

Financially the organisation made further gains on 2015, reporting a small loss for the year of \$206,168. The improved financial performance enabled the USU to plan for more positive results in the coming years, capitalising on the growth of the community and the improved facilities available for students, staff and visitors.

In addition, the HostCo business was able to return to full capacity, supported by strong marketing campaigns, we were able to substantially grow our market in the catering space, particularly from off campus customers.

To support our financial performance, we secured an allocation of the Student Services and Amenity Fee (SSAF) commensurate with our submission, thereby providing crucial funding for our student programs. No additional capital allocations were received in 2016 due to the prior year having apportioned 2016 capital funding.

The USU also became more involved in discussion on campus about healthy eating and choices. Despite being a difficult topic in a changing health environment, the USU remained committed to providing students and the community with choices that would meet the needs of most dietary requirements. This is an area that the USU is passionate about and will continue to evolve as opportunities arise.

The USU continued to make improvements and changes to the student experience by investing in our student programs, services and community. This included funding of the clubs and societies program, organising festivals with the creative contribution of students, plus multiple smaller events all throughout the year, producing *Hermes* and *Pulp*, investing in startups through INCUBATE, providing student leadership experiences and engaging with the international community via the International Student Program. The Verge Gallery underwent major developments both to the space and program, and has done exceptionally well at engaging students and the community in its programs.

Our staff and programs were recognised at the Annual Tertiary Access Group (TAG) Campuslink Awards, taking out awards for the Best Refurbished Facility (Fisher), Best Retail Campaign (Instagood Academic Dress), Best Orientation Event, Best Newcomer (Caroline Crawford) and the Joe Curtis Travel Scholarship (Caroline Crawford).

Our success as an organisation is a true reflection of the passion and dedication of our student board, student leaders and our staff members. I would like to take this opportunity to thank everyone who is involved in making our organisation a pleasure to be part of.



Andrew Woodward  
CEO

# THE UNIVERSITY OF SYDNEY UNION FINANCIAL REPORT – 31 DECEMBER 2016

## CONTENTS

- 3 DIRECTORS' REPORT
- 6 AUDITORS' INDEPENDENCE DECLARATION
- FINANCIAL STATEMENTS
- 7 STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME
- 8 STATEMENT OF FINANCIAL POSITION
- 9 STATEMENT OF CHANGES IN EQUITY
- 10 STATEMENT OF CASH FLOWS
- 11 NOTES TO THE FINANCIAL STATEMENTS
- 20 DIRECTORS' DECLARATION
- 21 INDEPENDENT AUDIT REPORT TO THE MEMBERS

## DIRECTORS' REPORT

This financial report covers The University of Sydney Union as an individual entity. The financial report is presented in the Australian dollars, which is The University of Sydney Union's functional and presentation currency.

The University of Sydney Union is an unincorporated association domiciled in Australia. Its principal place of business is:

Level 5 Holme Building  
Science Road  
University of Sydney NSW 2006

A description of the nature of the Union's principal activities and review of operations is included on page 2 of the Directors' report.

The financial report was authorised for issue by the directors of the Union on 12th May 2017. The Union has the power to amend and reissue the financial report.

The directors of The University of Sydney Union (referred to hereafter as the Union) present their report on the Union for the year ended 31 December 2016.

### DIRECTORS

The following persons were directors of the Union during the whole of the year and up to the date of this report:

Board Member	Appointed	Number of meetings attended	Number of meetings eligible to attend	Leave of Absence	Apologies
Michael Rees	Appointed 01/07/2015	12	12	-	-
Atia Rahim	Appointed 01/07/2015	11	12	-	1
Tiffany Alexander	Appointed 01/07/2015	11	12	-	1
Shannen Potter	Appointed 01/07/2015	12	12	-	-
Jack Whitney	Appointed 01/07/2015	10	12	-	2
Koko (Yifan) Kong	Appointed 01/07/2016	5	6	-	1
Esther Shim	Appointed 01/07/2016	6	6	-	-
Vanessa Song	Appointed 01/07/2016	5	6	-	1
Courthey Thompson	Appointed 01/07/2016	6	6	-	-
Grace Franki	Appointed 01/07/2016	6	6	-	-
James Gibson	Appointed 01/07/2016	5	6	-	1
Jill White	Appointed 14/12/2015	11	12	1	-
Alisha Aitken-Radburn	Appointed 01/07/2014	10	12	-	2
Tara Waniganayaka	Retired 01/07/2016	5	6	-	1
Liv Ronan	Retired 01/07/2016	6	6	-	-
Edward McMahon	Retired 01/07/2016	6	6	-	-
Simone Whetton	Retired 29/07/2016	6	6	-	-
Marco Avena	Retired 28/07/2016	4	6	-	2
Kate Bullen	Retired 01/07/2016	6	6	-	-
Liam Carrigan	Retired 01/07/2016	6	6	-	-

## DIRECTORS' REPORT CONTINUED

### PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The principal activities of the Union during the year were the provision of goods, services and amenities to its members and others whom form part of the University of Sydney community.

The deficit of the Union for the year ended 31 December 2016 was \$206,168 (2015: deficit of \$772,870).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Union during the year.

### MATTERS SUBSEQUENT TO THE END OF THE YEAR

As at 7th April 2017 the Union concluded an agreement to receive \$3,701,000 in SSAF funding for 2017.

### ENVIRONMENTAL REGULATION

The Union is not subject to any significant environmental regulation.

### INSURANCE OF DIRECTORS

The Union has obtained appropriate insurance in respect of all directors, committee members and senior executives against all liabilities to other persons that may arise from their positions as directors or executives, except where the liability arises out of conduct involving a lack of good faith. This insurance is made as part of the total insurance cover the Union has with the University of Sydney.

### PROCEEDINGS ON BEHALF OF THE UNION

No person has applied to the Court for leave to bring proceedings on behalf of the Union, or to intervene in any proceedings to which the Union is a party, for the purpose of taking responsibility on behalf of the Union for all or part of those proceedings. The Union was not party to any such proceedings during the year.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2016 has been received and is **contained within this report.**

### NON-AUDIT SERVICES

The Union may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Union are important.

Details of amounts paid or payable to the auditor (BDO East Coast Partnership) for audit and non-audit services provided during the year are set out below.

	2016 \$	2015 \$
Audit of the financial report	45,000	50,000
Other services	7,967	16,940
	52,969	66,940

## DIRECTORS' REPORT CONTINUED

This report is made in accordance with a resolution of the directors of the Union.



Michael Rees  
Director



Tiffany Alexander  
Director

Sydney  
26th May 2017

**DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF THE UNIVERSITY OF SYDNEY UNION**

As lead auditor of The University of Sydney Union for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements under Australian professional ethical standards in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Paul Bull  
Partner

**BDO East Coast Partnership**

Sydney, 26 May 2017

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

	Notes	2016 \$	2015 \$
Revenue from continuing operations	3	<b>27,788,328</b>	25,668,665
Fair value (losses)/gains on other financial assets	2	<b>(45,072)</b>	30,534
Cost of sales		<b>(8,510,990)</b>	(7,981,167)
Employee benefits expense		<b>(12,299,440)</b>	(11,372,772)
Property expenses		<b>(3,039,132)</b>	(2,979,115)
Administration expenses		<b>(1,276,705)</b>	(1,447,663)
Finance costs		<b>(119,914)</b>	(96,559)
IT costs		<b>(583,216)</b>	(296,656)
Member costs		<b>(945,505)</b>	(1,169,055)
Operations costs		<b>(704,463)</b>	(636,366)
Depreciation expense		<b>(470,059)</b>	(492,716)
<b>(Deficit) before income tax</b>	5	<b>(206,168)</b>	(772,870)
Income tax expense	1(c)	-	-
<b>(Deficit) for the year after income tax</b>		<b>(206,168)</b>	(772,870)
<b>Total comprehensive income for the year</b>		<b>(206,168)</b>	(772,870)
Total comprehensive income attributable to members of the Union		<b>(206,168)</b>	(772,870)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,281,170	1,259,365
Trade and other receivables	7	580,148	634,388
Inventories	8	781,395	659,859
Other financial assets at fair value	9	2,840,267	2,819,821
<b>Total current assets</b>		<b>6,482,980</b>	5,373,433
<b>Non-current assets</b>			
Plant and equipment	10	2,955,376	3,141,867
Available for sale financial assets	11	1,200	1,200
<b>Total non-current assets</b>		<b>2,956,576</b>	3,143,067
<b>Total assets</b>		<b>9,439,556</b>	8,516,500
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	3,236,119	2,172,494
Employee benefits	13	1,270,688	1,255,984
<b>Total current liabilities</b>		<b>4,506,807</b>	3,428,478
<b>Non Current liabilities</b>			
Employee benefits	14	264,458	213,563
<b>Total current liabilities</b>		<b>264,458</b>	213,563
<b>Total liabilities</b>		<b>4,771,265</b>	3,642,041
<b>NET ASSETS</b>		<b>4,668,291</b>	4,874,459
<b>EQUITY</b>			
Reserves		4,668,291	4,874,459
<b>TOTAL EQUITY</b>		<b>4,668,291</b>	4,874,459

The above statement of financial position should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	<b>Retained Earnings</b>
	<b>\$</b>
<b>Balance as at 1 January 2015</b>	5,647,329
Surplus/deficit for the year	(772,870)
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	(772,870)
<b>Balance as at 31 December 2015</b>	4,874,459
Surplus/deficit for the year	(206,168)
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	(206,168)
<b>Balance as at 31 December 2016</b>	4,668,291

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		23,385,875	22,217,144
Payments to suppliers and employees		(27,860,640)	(29,084,454)
Interest received		31,662	56,239
Rental income received		2,197,277	2,131,551
SSAF received from University of Sydney		3,592,000	3,389,824
Dividends received (net off dividends reinvested)		79,111	80,293
Interest and other costs of finance paid		(119,913)	(75,975)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>1,305,372</b>	<b>(1,285,378)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of other financial assets		-	1,048,341
Payments for purchase of plant and equipment		(283,567)	(443,689)
<b>Net cash outflow from investing activities</b>		<b>(253,567)</b>	<b>604,653</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,021,805</b>	<b>(680,726)</b>
Cash and cash equivalents at the beginning of the year		1,259,365	1,940,091
<b>Cash and cash equivalents at the end of the year</b>	6	<b>2,281,170</b>	1,259,365

The above statement of financial position should be read in conjunction with the accompanying notes.

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

## Note 1. Statement of Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New, revised or amending Accounting Standards and Interpretations adopted

The unincorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the unincorporated association.

The following Accounting Standards and Interpretations are most relevant to the unincorporated association:

- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for not-for-profit oriented entities and in accordance with the constitution of the unincorporated association and *Division 60 of the Australian Charities and Not for Profit Act 2012*.

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the unincorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### (b) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Union and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of

returns, trade allowances and amounts collected on behalf of third parties including GST. Revenue is recognised for the major business activities as follows:

##### *(i) Rental income*

Rental income for operating leases is recognised on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises.

##### *(ii) Interest*

Interest income is recognised on a time proportion basis using the effective interest method.

##### *(iii) Goods and services*

Revenue from the sale of goods and services is recognised upon delivery of those goods or services to the customer. Revenue from services is recognised upon delivery of the service to the customer. Revenue from membership fees is recognised in the year to which membership relates.

##### *(iv) Dividends*

Dividend revenue is recognised when the right to receive payment is established.

##### *(v) Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### (c) Income tax

Income tax has not been brought into account in respect of the Union, as pursuant to section 50(5) of the *Income Tax Assessment Act 1997*, the Union is exempt from the payment of income tax.

#### (d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (e) Trade receivables

Trade receivables are recognised initially at amortised cost and subsequently measured at amortised cost, less impairment. Trade receivables are due for settlement no more than 31 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance account (provision for impairment of trade receivables) is established when there is objective evidence that the Union will not be able to collect all amounts due according to the

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

original terms of trade receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment allowance is recognised in earnings.

**(f) Inventories**

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

**(g) Investments and other financial assets**

(i) 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 classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(ii) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(iii) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a

liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of lawprincipal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**(h) Plant and equipment**

Each class of plant and equipment is carried at cost less any accumulated depreciation, and where applicable has been the subject of impairment testing. Depreciation is calculated on a straight line basis so as to write off the cost of each depreciable non-current asset over its expected useful life.

Depreciation rates used are:

Plant and Equipment	20% to 33%
Furniture and Fittings	5% to 10%
Motor Vehicles	10% to 25%

**(i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Union prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 31 days of recognition. These amounts are recognised at amortised cost.

Other liabilities expected to be settled more than 12 months after the reporting date are classified as non-current.

**(j) Employee benefits**

(i) *Wages, annual leave and sick leave*

Liabilities for wages, including non monetary benefits, annual leave and sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods

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

of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(k) Leases**

A distinction is made between finance leases that effectively transfer from the lessor to the lessee all the risks and benefits incidental to the ownership of leased property, without transferring the legal ownership, and operating leases under which the lessor effectively retains all the risks and benefits.

Where assets are acquired by finance leases, the present value of minimum lease payments is established as an asset at the beginning of the lease term and depreciated on a straight line basis over the expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to expense in the periods in which they are incurred.

**(l) 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**(m) Financial Instruments**

**(i) Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date at which the association commits itself to either purchase or sell the asset. 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 recognised immediately as expenses in profit or loss.

**(ii) Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value.

**(iii) Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

**NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets and liabilities. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(i) Estimation of useful lives of assets*

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*(ii) Long service leave provision*

As discussed in note 1, the liability for long service leave is recognised and measured at the 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.

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

**NOTE 3. REVENUE**

	2016 \$	2015 \$
<b>From continuing operations</b>		
Sales of goods and services	<b>19,122,134</b>	17,775,056
Other revenue:		
Interest received	<b>31,661</b>	56,239
Dividends received	<b>144,630</b>	140,656
Rental income	<b>2,197,277</b>	2,131,551
SSAF funding from University of Sydney	<b>3,592,000</b>	3,389,824
Other income	<b>2,700,626</b>	2,175,339
Total other revenue	<b>8,666,194</b>	7,893,609
Total revenue from continuing operations	<b>27,788,328</b>	25,668,665

**NOTE 4. FAIR VALUE (LOSSES)/GAINS ON OTHER FINANCIAL ASSETS**

	2016 \$	2015 \$
<b>Movement in fair value of investments</b>	<b>(45,072)</b>	30,534

**NOTE 5. SURPLUS BEFORE INCOME TAX**

	2016 \$	2015 \$
<b>(Deficit)/surplus before income tax includes the following specific expenses:</b>		
Cost of sales	<b>8,510,990</b>	7,981,167
Finance costs	<b>119,913</b>	96,559
Depreciation	<b>470,059</b>	492,716
Bad and doubtful debts expense	-	-
Employee benefits expense	<b>11,383,775</b>	10,502,833
Superannuation expense	<b>915,665</b>	869,938
Rental Expense on operating leases	<b>162,830</b>	270,707
Auditors remuneration		
Audit of the financial report	<b>45,000</b>	50,000
Other services	<b>7,969</b>	16,940
	<b>52,969</b>	66,940

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

**NOTE 6. CURRENT ASSETS CASH AND CASH EQUIVALENTS**

	<b>2016</b>	2015
	<b>\$</b>	\$
Cash on hand	<b>39,963</b>	35,016
Cash at bank	<b>2,242,207</b>	694,119
Bank endorsed bills	-	530,230
	<b>2,281,170</b>	1,259,365

**(a) Cash at bank and on hand**

Cash at bank bears floating interest rates between 2.41% and 0.41% (2015: between 5.59% and 3.59%). Cash on hand is non-interest bearing.

**NOTE 7. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES**

	<b>2016</b>	2015
	<b>\$</b>	\$
Trade receivables	<b>386,953</b>	331,641
Provision for impairment	-	-
	<b>386,953</b>	331,641
Sundry debtors	<b>96,656</b>	213,958
Prepayments and other receivables	<b>96,539</b>	88,789
	<b>580,148</b>	634,388

**NOTE 8. CURRENT ASSETS INVENTORIES**

	<b>2016</b>	2015
	<b>\$</b>	\$
Finished goods	<b>781,395</b>	659,859

**NOTE 9. CURRENT ASSETS - OTHER FINANCIAL ASSETS**

	<b>2016</b>	2015
	<b>\$</b>	\$
Financial Assets at fair value through profit or loss:		
Shares in listed entities	<b>2,840,267</b>	2,819,821
	-	-
	<b>2,840,267</b>	2,819,821

The fair value hierarchy of these assets is considered to be Level 1 whereby the lowest level of input that is significant to the entire fair value measurement is quoted prices in an active market for identical assets that the Union can access at the measurement date.

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

**NOTE 10. NON CURRENT ASSETS - PLANT AND EQUIPMENT**

	<b>2016</b>	2015
	<b>\$</b>	\$
<b>Plant, Furniture, Equipment and Vehicles</b>		
At cost	<b>8,730,110</b>	8,463,317
Accumulated depreciation	<b>(6,072,376)</b>	(5,602,317)
	<b>2,657,734</b>	2,861,000
<b>Artworks</b>		
At cost	<b>199,118</b>	199,118
<b>Work in Progress</b>		
At cost	<b>98,524</b>	81,749
Total Plant and Equipment - at cost	<b>9,027,752</b>	8,744,184
Total Depreciation	<b>(6,072,376)</b>	(5,602,317)
	<b>2,955,376</b>	3,141,867

**MOVEMENT IN CARRYING AMOUNTS**

	<b>Plant, Furniture, Equipment and Vehicles</b>	<b>Artworks</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	2,861,000	199,118	81,749	3,141,867
Additions	185,044	-	98,524	283,568
Disposals	-	-	-	-
Transfer to/from Work in Progress	81,749	-	(81,749)	-
Depreciation expense	(470,059)	-	-	(470,059)
Carrying value at the end of the year	2,657,734	199,118	98,524	2,955,376

**NOTE 11. NON CURRENT ASSETS - AVAILABLE FOR SALE FINANCIAL ASSETS**

	<b>2016</b>	2015
	<b>\$</b>	\$
Shares in unlisted entities	<b>1,200</b>	1,200
	<b>1,200</b>	1,200

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

**NOTE 12. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES**

	<b>2016</b>	2015
	<b>\$</b>	\$
Trade payables	<b>569,769</b>	1,161,167
Other payables and accruals	<b>818,785</b>	556,483
Income in advance	<b>1,874,565</b>	454,844
	<b>3,236,119</b>	2,172,494

**NOTE 13. CURRENT LIABILITIES - EMPLOYEE BENEFITS**

	<b>2016</b>	2015
	<b>\$</b>	\$
<i>Annual Leave</i>		
Opening balance	<b>597,690</b>	582,728
Provisions raised during year	<b>633,391</b>	650,468
Less: Amounts used	<b>(632,296)</b>	(635,506)
Closing balance	<b>598,785</b>	597,690
<i>Sick Leave</i>		
Opening balance	<b>71,223</b>	130,067
Provisions raised during year note amounts year	<b>(13,256)</b>	(58,844)
Closing balance	<b>57,967</b>	71,223
<i>Long Service Leave</i>		
Opening balance	<b>587,071</b>	668,900
Provisions raised during the year	<b>130,832</b>	27,466
Less: Amounts used	<b>(103,967)</b>	(109,295)
Closing balance	<b>613,936</b>	587,071
Total employee benefits	<b>1,270,668</b>	1,255,984

**NOTE 14. NON CURRENT LIABILITIES - EMPLOYEE BENEFITS**

	<b>2016</b>	2015
	<b>\$</b>	\$
Long Service Leave		
Opening Balance	<b>213,563</b>	282,696
Provisions raised during the year/amounts used	<b>50,895</b>	(69,133)
Closing Balance	<b>264,458</b>	213,563

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

**NOTE 15. EXPENDITURE COMMITMENTS**

**(a) Superannuation Commitments**

During the year, the Union made contributions to superannuation funds on behalf of its employees. Members of the funds are entitled to benefits on retirement, disability or death. Contributions to the funds are at varying rates of gross salaries.

The Union is under no legal obligation to make up any shortfall in the funds assets to meet payments due to employees other than in very limited circumstances of the USUF transfer across of staff to ARF superannuation. At year end only one staff member remained under this arrangement.

The Union contributed to Australian Super and a number of other funds on behalf of its employees at the rate of 9.5% of wages as required by the Federal Government's Superannuation Guarantee Contribution legislation (SGC).

The Union contributes to ARF, a range of 10% and 16% of gross salary for former members of the University of Sydney Union Superannuation Fund (USUF) and 3% for certain other employees where relevant award provisions apply. For new members of ARF, the Union contributes 10% of gross salary providing that the member contributes at least 1% of their salary. New members contributing less than 1% will only receive contributions equal to the current SGC requirement.

**NOTE 16. EVENTS SUBSEQUENT TO REPORTING DATE**

As at 7th April 2017 the USU concluded an agreement to receive \$3,701,000 in SSAF funding for 2017.

Other than that noted above, there have been no material events after the reporting date.

**NOTE 17. ENTITY DETAILS**

The registered office of the Union is Level 5, Holme Building, Science Road, University of Sydney, NSW 2006. The principal place of business of the Union is within the grounds of the University of Sydney, NSW, Australia.

**NOTE 18. LEASE COMMITMENT**

**(a) Operating Leases:**

Aggregate amounts contracted for at balance date but not recognised in the accounts. The equipment to which these lease amounts relate consists of IT equipment and multi-functional devices.

	<b>2016</b>
	<b>\$</b>
Not later than 1 year	<b>158,701</b>
Later than 1 year but not later than 5 years	<b>64,642</b>
	<b>223,343</b>

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

**NOTE 19. KEY MANAGEMENT PERSONNEL**

All remuneration paid to directors and executives is valued at cost to the Union and expensed. The Union complies with government requirements in respect of superannuation and workers compensation insurance.

Details of the remuneration of the directors and executive officers are as follows.

**(a) Directors**

The names of each person holding the position of director of the Union during the year were:

Michael Rees	Vanessa Song	Tara Waniganayaka	Kate Bullen
Atia Rahim	Courtney Thompson	Liv Ronan	Liam Carrigan
Tiffany Alexander	Grace Franki	Edward McMahon	Simone Whetton
Shannen Potter	James Gibson	Marco Avena	Esther Shim
Koko (Yifan) Kong	Jack Whitney	Alisha Aitken-Radburn	Jill White

**(b) Key management personnel compensation**

	Salary \$	Superannuation \$	Benefits \$	Total \$
Directors				
<b>2016</b>	<b>94,274</b>	-	-	<b>94,274</b>
2015	97,520	-	-	97,520
Other key management personnel				
<b>2016</b>	<b>1,170,670</b>	<b>95,601</b>	-	<b>1,266,271</b>
2015	1,115,075	94,857	-	1,209,932

The employment conditions of the chief executive officer and specified executives are formalised in contracts of employment. The duties of directors are specified in the regulations of the Union and directors are appointed for a two year term following elections.

**(c) Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the year there were no other transactions.

**DIRECTORS' DECLARATION**  
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors of the Union declare that:

- (a) The financial statements and notes set out on pages 6 to 19 give a true and fair view of the Union's financial position as at 31 December 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') as described in Note 1 to the financial statements and in accordance with the constitution of the unincorporated association; and
- (b) In the directors' opinion there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of the Union.



Michael Rees  
Director



Tiffany Alexander  
Director

Sydney  
Date: 26 May 2017

## INDEPENDENT AUDITOR'S REPORT

To the members of The University of Sydney Union

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The University of Sydney Union (the Union), which comprises the statement of financial position as at 31 December 2016, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of The University of Sydney Union, is in accordance with Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (i) Giving a true and fair view of the Union's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; 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 *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The Directors of the Union are responsible for the other information. The other information comprises the information in the Union'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 directors for the Financial Report**

The Directors of the Union 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 *ACNC Act* and for such internal control as the responsible entities determine 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 Directors are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The Directors of the Union are responsible for overseeing the Union's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

#### **BDO East Coast Partnership**

A handwritten signature in black ink. The signature starts with 'BDO' in a stylized, blocky font, followed by a large, flowing signature that appears to be 'Paul Bull'.

Paul Bull  
Partner

Sydney, 26 May 2017