

# The University of Sydney Union

## Financial report - 31 December 2018

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This financial report covers The University of Sydney Union as an individual entity. The financial report is presented in 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 27<sup>th</sup> May 2019. 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 2018.

**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
Liliana Tai	1-Jul-17	12	12		
Adam Torres	1-Jul-17	12	12		
Claudia Gulbransen- Diaz	1-Jul-17	12	12		
Zhixian Wang	1-Jul-17	11	12		1
Michael Rees	Retired 1 July 2018	1	6		5
Jacob Masina	1-Jul-17	11	12		1
Hengjie Sun	1-Jul-17	11	12		1
Maya Eswaran	1-Jul-18	4	6		2
Lachlan Finch	1-Jul-18	4	6		2
Connor Wherrett	1-Jul-18	6	6		
Zimeng Ye	1-Jul-18	6	6		
Decheng Sun	1-Jul-18	6	6		
Jane Drummond	1-Feb-18	11	12		1
Courtney Thompson	1-Jul-16	11	12		1
Marie Leech	22-Jun-18	10	12		2
Jill White	Retired 1 July 2018	1	3		2
Esther Shim	Retired 1 July 2018	6	6		
Grace Franki	Retired 1 July 2018	6	6		
Koko Kong	Retired 1 July 2018	5	6		
Vanessa Song	Retired 1 July 2018	3	6	2	1

**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 loss of the Union for the year ended 31 December 2018 was \$495,174 (2017: surplus of \$775,607).

**Significant changes in the state of affairs**

The Impairment of the Salesforce CRM Platform was a significant change during the year.

**Matters subsequent to the end of the year**

As at the date of this report The Union continues to negotiate SSAF funding for 2019 with the University of Sydney. During the 2018 calendar year the Union received \$4,322,350; it is the Directors' expectation that the Union will receive a similar amount for the 2019 calendar year. The Fund agreement is anticipated to be finalised with the University of Sydney before the end of June 2019.

### 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 2018 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.

	2018	2017
	\$	\$
Audit of the financial report	47,000	45,000
Other services	-	-
	<u>47,000</u>	<u>45,000</u>

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



Liliana Tai  
Director



Claudia Gulbransen-Diaz  
Director

Sydney  
27<sup>th</sup> May 2019



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Australia

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

As lead auditor of The University of Sydney Union for the year ended 31 December 2018, 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 Cheeseman  
Partner

**BDO East Coast Partnership**

Sydney, 27 May 2019

**The University of Sydney Union**  
**Statement of profit or loss and other comprehensive income**  
For the year ended 31 December 2018

	Notes	2018	2017
		\$	\$
Revenue from continuing operations	3	31,011,223	28,890,155
Fair value losses/gains on other financial assets	4	(70,485)	224,773
Cost of sales		(9,047,469)	(8,521,666)
Employee benefits expense		(13,183,262)	(12,713,203)
Property expenses		(2,987,789)	(2,721,967)
Administration expenses		(2,140,722)	(1,595,241)
Finance costs		(259,810)	(151,084)
IT costs		(882,030)	(629,011)
Member costs		(922,557)	(763,168)
Operations costs		(932,836)	(801,377)
Impairment expenses		(631,655)	-
Depreciation expense		(447,781)	(442,604)
<b>Surplus/ (deficit) before income tax</b>	5	<b>(495,174)</b>	<b>775,607</b>
Income tax expense	1(c)	-	-
<b>Surplus/ (deficit) for the year after income tax</b>		<b>(495,174)</b>	<b>775,607</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(495,174)</b>	<b>775,607</b>
Total comprehensive income/(loss) attributable to members of the Union		(495,174)	775,607

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

**The University of Sydney Union**  
**Statement of financial position**  
As at 31 December 2018

	Notes	2018	2017
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,493,388	634,001
Trade and other receivables	7	703,064	1,133,073
Inventories	8	1,164,492	973,072
Other financial assets at fair value	9	3,118,656	3,134,595
<b>Total current assets</b>		<b>6,479,599</b>	<b>5,874,741</b>
<b>Non-current assets</b>			
Plant and equipment	10	2,562,228	2,903,582
<b>Total non-current assets</b>		<b>2,562,228</b>	<b>2,903,582</b>
<b>Total assets</b>		<b>9,041,827</b>	<b>8,778,323</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	2,597,723	1,991,693
Employee benefits	12	1,354,053	1,078,425
<b>Total current liabilities</b>		<b>3,951,777</b>	<b>3,070,118</b>
<b>Non-current liabilities</b>			
Employee benefits	13	141,327	264,307
<b>Total non-current liabilities</b>		<b>141,327</b>	<b>264,307</b>
<b>Total liabilities</b>		<b>4,093,104</b>	<b>3,334,426</b>
<b>NET ASSETS</b>		<b>4,948,723</b>	<b>5,443,897</b>
<b>EQUITY</b>			
Reserves		4,948,723	5,443,897
<b>TOTAL EQUITY</b>		<b>4,948,723</b>	<b>5,443,897</b>

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

**The University of Sydney Union**  
**Statement of changes in equity**  
For the year ended 31 December 2018

	<b>Retained Earnings</b>
	\$
<b>Balance as at 1 Jan 2017</b>	<b>4,668,291</b>
Surplus/(deficit) for the year	775,605
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	775,605
<b>Balance as at 31 December 2017</b>	<b>5,443,897</b>
Surplus/(deficit) for the year	(495,174)
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	(495,174)
<b>Balance as at 31 December 2018</b>	<b><u>4,948,723</u></b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

**The University of Sydney Union**  
**Statement of cash flows**  
For the year ended 31 December 2018

**STATEMENT OF CASHFLOWS**

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		26,949,885	23,417,898
Payments to suppliers and employees		(32,608,022)	(31,167,130)
Interest received		18,998	26,373
Rental income received		2,538,126	2,460,627
SSAF received from University of Sydney		4,754,585	4,071,100
Dividends received (net of dividends reinvested)		98,055	87,604
Interest and other costs of finance paid		(169,683)	(151,084)
<b>Net cash from operating activities</b>		<b>1,581,944</b>	<b>(1,254,612)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of other financial assets		912,861	-
Payments for the purchase of other financial assets		(912,999)	-
Payments for purchase of plant and equipment		(722,419)	(392,559)
<b>Net cash from investing activities</b>		<b>(722,557)</b>	<b>(392,559)</b>
<b>Net (decrease)/increase in cash held</b>		<b>859,387</b>	<b>(1,647,170)</b>
Cash and cash equivalents at the beginning of the year		634,001	2,281,171
<b>Cash and cash equivalents at the end of the year</b>	6	<b>1,493,388</b>	<b>634,001</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*



## 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 University of Sydney Union 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.

The University of Sydney Union has applied AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* from 1 January 2018. The application of the requirements of AASB 15 and AASB 9 are broadly consistent with The University of Sydney Union's current accounting policies.

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 of Profit Act 2012*.

##### *Historical cost convention and going concern basis*

The financial statements have been prepared under the historical cost convention. They have also been prepared on a going concern basis, based upon operating projections including SSAF funding, refer to Note 16.

##### *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 upon satisfaction of the performance obligation, which occurs when the control of the goods and services are transferred to the customer. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component will occur when the uncertainties around its measurement are removed.

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:

**Revenue Recognition (continued)**

*(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 initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Union has applied a simplified approach to measured expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**(f) Inventories**

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

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

**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.

**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 value.

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.

**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 a principal 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.

**Plant and equipment**

**(h)**

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%- 33.3%
Furniture and Fittings	10%
Motor Vehicles	10%-25%
IT Equipment	33.33%

**(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 sickleave*

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 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**

**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.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value.

**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. 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.

**Note 3. Revenue**

	2018	2017
	\$	\$
<b>From continuing operations</b>		
Sales of goods and services	20,898,103	20,300,539
Other revenue:		
Interest received	18,998	26,373
Dividends received	165,134	155,959
Rental income	2,307,387	2,236,939
SSAF funding from University of Sydney	4,322,350	3,701,000
Other income	3,299,250	2,469,345
Total other revenue	10,113,120	8,589,616
Total revenue from continuing operations	<b>31,011,223</b>	28,890,155

**Note 4. Fair value gains/ (losses) on other financial assets**

	2018	2017
	\$	\$
<b>Movement in fair value of investments</b>	<b>(70,486)</b>	224,773

**Note 5. Surplus before income tax**

	2018	2017
	\$	\$
<b>Surplus/ (deficit) before income tax includes the following specific expenses:</b>		
Cost of sales	9,047,469	8,521,666
Finance costs	259,810	151,084
Depreciation	447,781	442,604
Employee benefits expense	12,203,845	11,798,693
Superannuation expense	979,418	957,609
Rental Expense on operating leases	334,186	153,661
<i>Auditors remuneration</i>		
Audit of the financial report	47,000	45,000
Other services	-	-
	<b>47,000</b>	45 000

**Note 6. Current assets - Cash and cash equivalents**

	2018	2017
	\$	\$
Cash on hand	49,622	44,213
Cash at bank	1,443,766	589,788
	<b>1,493,388</b>	634,001

**Note 7. Current assets - Trade and other receivables**

	2018	2017
	\$	\$
Trade receivables	535,562	800,431
Provision for impairment	(33,599)	
	501,963	800,431
Sundry debtors	70,486	134,249
Prepayments and other receivables	130,615	198,393
	703,064	1,133,073

**Note 8. Current assets - Inventories**

	2018	2017
	\$	\$
Finished goods	1,164,492	973,072

**Note 9. Current assets - Other financial assets**

	2018	2017
	\$	\$
Financial Assets at fair value through profit or loss:		
Shares in listed entities	3,118,656	3,134,595
	3,118,656	3,134,595

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.

**Note 10. Non-current assets - plant and equipment**

	2018	2017
	\$	\$
<b>Plant, Furniture, Equipment and Vehicles</b>		
At cost	4,660,951	8,943,687
Accumulated depreciation	<u>(2,324,572)</u>	<u>(6,513,395)</u>
	2,336,379	2,430,292
<b>Artworks</b>		
At cost	199,118	199,118
<b>Work in Progress</b>		
At cost	26,731	274,172
Total Plant and Equipment- at cost	4,886,799	9,416,977
Total Depreciation	<u>(2,324,572)</u>	<u>(6,513,395)</u>
	2,562,228	2,903,582

**Movement in Carrying Amounts**

	Plant, Furniture, Equipment and Vehicles	Artworks	Work in Progress	Total
	\$	\$	\$	\$
Balance at the beginning of the year	2,430,292	199,117	274,172	2,903,582
Additions	4,656	-	717,763	722,419
Disposals/Impairment	(2,250)	-	(613,742)	(615,992)
Transfer to/from Work in Progress	351,462	-	(351,462)	-
Depreciation expense	<u>(447,781)</u>	<u>-</u>	<u>-</u>	<u>(447,781)</u>
Carrying value at the end of the year	2,336,379	199,117	26,731	2,562,228

During 2017 and 2018 there were additions in the WIP account for Salesforce CRM platform. Due to the inability to complete and use the CRM (as a result of the developer going into liquidation), the Union had impairment expense.

**Note 11. Current liabilities - Trade and other payables**

	2018	2017
	\$	\$
Trade payables	804,338	404,950
Other payables and accruals	1,123,131	938,711
Income in advance	<u>670,254</u>	<u>648,032</u>
	2,597,723	1,991,693



**Note 12. Current liabilities - Employee benefits**

	2018	2017
	\$	\$
<i>Annual Leave</i>		
Opening balance	544,706	598,785
Provisions raised during year	755,590	623,449
Less: Amounts used	(671,510)	(677,528)
Closing balance	628,786	544,706
<i>Sick Leave</i>		
Opening balance	10,373	57,967
Provisions raised during year note amounts year	(4,677)	(47,594)
Closing balance	5,696	10,373
<i>Long Service Leave</i>		
Opening balance	523,346	613,936
Provisions raised during the year	198,301	18,598
Less: Amounts used	(2,076)	(109,188)
Closing balance	719,571	523,346
Total employee benefits	1,354,053	1,078,425

**Note 13. Non-current liabilities - Employee benefits**

	2018	2017
	\$	\$
<i>Long Service Leave</i>		
Opening Balance	264,307	264,458
Provisions raised during the year/amounts used	(122,980)	(151)
Closing Balance	141,327	264,307

**Note 14. 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).

**Note 14. Expenditure Commitments (continued)**

**(a) Superannuation Commitments**

The Union contributes to ARF, a range between 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 15. Events subsequent to reporting date**

As at the date of this report The Union continues to negotiate SSAF funding for 2019 with the University of Sydney. During the 2018 calendar year the Union received \$4,322,350; it is the Directors' expectation that the Union will receive a similar amount for the 2019 calendar year. The Fund agreement is anticipated to be finalised with the University of Sydney before the end of June 2019.

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

**Note 16. 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 17. Lease Commitments**

(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>2018</b>
	\$
Not later than 1 year	<b>49,109</b>
Later than 1 year but not later than 5 years	<b><u>45,415</u></b>
	<b><u>94,524</u></b>

**Note 18. Key management personnel**

All remuneration paid to directors and executives is valued at cost to the Union and expensed. The Union complies with all mandatory statutory 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:

Courtney Thompson	Vanessa Song	Claudia Gulbransen - Diaz	Hengjie Sun	Maya Eswaran
Esther Shim	Adam Torres	Liliana Tai	Lachlan Finch	Connor Wherrett
Grace Franki	Jacob Masina	Marie Leech	Zimeng Ye	Decheng Sun
Koko (Yifan Kong)	Zhixian Wang	Jill White	Jane Drummond	Michael Rees

**(b) Key management personnel compensation**

	Salary	Superannuation	Benefits	Total
	\$	\$	\$	\$
Directors				
2018	114,301			114,301
2017	110,400			110,400
Other key management personnel				
2018	1,491,042	120,186		1,611,228
2017	1,384,545	131,505		1,516,050

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.

The directors of the Union declare that:

- (a) The financial statements and notes set out on pages 9 to 19 give a true and fair view of the Union's financial position as at 31 December 2018 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.



Liliana Tai  
Director



Claudia Gulbransen-Diaz  
Director

Sydney  
Date: 27<sup>th</sup> May 2019



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## 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 2018, the statement of profit or 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-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Union in accordance with the auditor independence requirements of 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 obtained at the date of this auditor's report is information included in the Union's annual report, 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 on the other information obtained prior to the date of this auditor's report, 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 and fair presentation of the financial report 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 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 Union 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\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO East Coast Partnership**

Paul Cheeseman  
Partner

Sydney, 27 May 2019