

The University of Sydney Union

Financial report - 31 December 2020

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This financial report covers The University of Sydney Union as an individual (Independent) 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

The description of the nature of the Union's principal activities and review of operations is included on page 2 of the directors' 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 2020.

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
Connor Wherrett	1-Jul-18	18	19	-	1
Lachlan Finch	1-Jul-18	8	8	-	-
Maya Eswaran	1-Jul-18	8	8	-	-
Decheng Sun	1-Jul-18	8	8	-	-
Zimeng Ye	1-Jul-18	8	8	-	-
Liliana Tai	1-Jul-17	7	8	-	1
Nicholas Rigby	1-Jul-20	13	13	-	-
Irene Ma	1-Jul-19	19	19	-	-
Nick Forbutt	1-Jul-19	19	19	-	-
Caitlin Brown	1-Jul-19	19	19	-	-
Yinfeng Shen	1-Jul-19	19	19	-	-
Di Wang	1-Jul-19	19	19	-	-
Ruby Lotz	1-Jul-20	11	11	-	-
Kailin Qin	1-Jul-20	11	11	-	-
Benjamin Hines	1-Jul-20	11	11	-	-
Belinda Thomas	1-Jul-20	11	11	-	-
Prudence Wilkins-Wheat	1-Jul-20	11	11	-	-
Jane Drummond	1-Feb-18	17	19	-	2
Marie Leech	22-Jun-18	19	19	-	-

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 who form part of the University of Sydney community. The surplus of the Union for the year ended 31 December 2020 was \$786,399 (2019: Surplus of \$497,578).

Significant changes in the state of affairs

COVID-19 was declared a global pandemic in 2020 and the New South Wales Government issued specific restrictions on social gatherings and the closure of non-essential businesses in March 2020. In response, the University of Sydney temporarily restricted access to the campus, cancelled all University events from 16 March 2020 and moved teaching online. The University of Sydney Union temporarily closed the majority of its venues until these restrictions were lifted which severely impacted the operations of the Union.

Reduced sales and reduced staff capacity were significant changes during 2020, offset by the impact of the Commonwealth Government’s JobKeeper scheme.

Matters subsequent to the end of the year

During the 2020 calendar year the Union received funding of \$5,415,453; It is the Directors' expectation that the Union will receive a similar amount for the 2021 calendar year.

Subsequent to year end, COVID-19 continues to impact the University of Sydney and therefore there is a flow-on effect to The University of Sydney Union.

Refer to the going concern disclosure included in the Basis of Preparation in Note 1 for further information on the impact.

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

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.

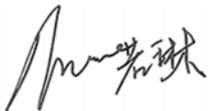
Proceedings on behalf of the Union

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 2020 has been received and is contained within this report.

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



Irene Ma
President - Director



Caitlin Brown
Honorary Treasurer - Director

Sydney
21 May 2021

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201 Sussex Street
Sydney NSW 2000

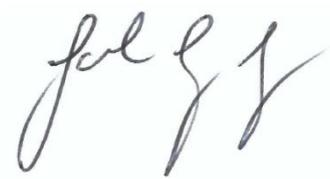
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF UNIVERSITY OF SYDNEY UNION
ABN 73 818 179 759**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

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



John Gavljak
Partner

Pitcher Partners
Sydney

21 May 2021

The University of Sydney Union
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	3	7,404,106	20,430,592
Interest income from financial assets measured at amortised cost	3	4,306	20,849
Other revenue	3	9,803,463	9,613,975
Total revenue	3	17,211,875	30,065,416
Fair value gains on financial assets	4	122,866	536,138
Cost of sales		(2,430,385)	(8,256,669)
Employee benefits expense		(9,430,061)	(13,536,085)
Property expenses		(1,914,913)	(2,870,456)
Administration expenses		(642,462)	(1,861,320)
Finance costs		(93,315)	(208,792)
IT costs		(556,061)	(616,829)
Member costs		(245,716)	(1,162,497)
Operations costs		(449,001)	(960,487)
Impairment expenses	10	(52,500)	(157,419)
Depreciation expense		(478,343)	(473,421)
Loss from fixed assets disposal		(255,585)	-
Surplus before income tax	5	786,399	497,578
Income tax expense	1(c)	-	-
Surplus for the year after income tax		786,399	497,578
Other comprehensive income, net of tax		-	-
Total comprehensive income attributable to members of the Union		786,399	497,578

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 2020

		2020	2019
		\$	\$
ASSETS			
	Notes		
Current assets			
Cash and cash equivalents	6	3,553,723	1,078,965
Trade and other receivables	7	540,451	792,069
Inventories	8	919,990	1,056,885
Financial assets held at fair value through profit or loss	9	3,958,272	3,738,542
Total current assets		8,972,436	6,666,461
Non-current assets			
Plant and equipment	10	2,133,504	2,808,444
Total non-current assets		2,133,504	2,808,444
Total assets		11,105,940	9,474,905
LIABILITIES			
Current liabilities			
Trade and other payables	11	3,070,787	2,387,488
Employee benefits	12	1,413,914	1,452,167
Total current liabilities		4,484,701	3,839,655
Non-current liabilities			
Employee benefits	13	388,538	188,949
Total non-current liabilities		388,538	188,949
Total liabilities		4,873,239	4,028,604
NET ASSETS		6,232,701	5,446,301
EQUITY			
Reserves		6,232,701	5,446,301
TOTAL EQUITY		6,232,701	5,446,301

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 2020

	Retained Earnings
	\$
Balance as at 1 January 2019	4,948,723
Surplus for the year	497,578
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	497,578
Balance as at 31 December 2019	5,446,301
Surplus for the year	786,399
Other comprehensive income for the year, net of tax	-
Total comprehensive income for the year	786,399
Balance as at 31 December 2020	6,232,701

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 2020

Notes	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	10,662,149	24,516,685
Payments to suppliers and employees	(14,493,294)	(32,167,733)
Interest received	4,306	20,849
Rental income received	1,120,864	2,694,108
SSAF received from University of Sydney	5,415,453	5,377,071
Dividends received (net of dividends reinvested)	183,518	183,166
Interest and other costs of finance paid	(93,315)	(208,792)
Net cash from operating activities	<u>2,799,681</u>	<u>415,354</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of plant and equipment	8,033	-
Payments for purchase of plant and equipment	(332,956)	(829,777)
Net cash used in investing activities	<u>(324,923)</u>	<u>(829,777)</u>
Net increase/(decrease) in cash held	2,474,758	(414,423)
Cash and cash equivalents at the beginning of the year	1,078,965	1,493,388
Cash and cash equivalents at the end of the year	6 <u>3,553,723</u>	<u>1,078,965</u>

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.

(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

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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The University of Sydney Union ("USU") has been severely impacted by COVID-19. This has resulted in a significant decline in business activities which in turn resulted in a material decline in operating cash flows of USU. As a result of these matters, and the associated reliance on continued SSAF (Student Services and Amenities Fee) funding by the University of Sydney, there is a material uncertainty related to events and conditions that may cast doubt on whether the company will continue as a going concern, and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

While the impact of uncertain external and internal factors can impact future performance, the directors believe there are reasonable grounds to conclude the entity (USU) will continue as a going concern as a result of the following:

- SSAF funding, provided by the University of Sydney, will continue to be received in accordance with the estimated amounts and timing included within USU's cash flow forecast for the 12 months from the date of this financial report;
- USU has taken measures to reduce operating expenditure during the COVID19 pandemic to ensure that sufficient cash flows are available to support USU during the forecast period. The ability of USU to meet its forecasts is dependent on the ability of USU to achieve the measures relating to operating expenditure reductions;
- USU was eligible for JobKeeper and other related stimulus measures relating to deferred payments, until March 2021;
- The availability of liquid equity investments held by USU (refer to note 9) to cover any shortfall in cash and cash equivalents during the forecast period; and
- The cash flow projection to 31 December 2021 supports the ability of USU to continue as a going concern subject to the events described above.

(b) Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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) SSAF funding

SSAF funding from University of Sydney is recognised either under

Contestable/Residual SSAF funding - AASB 15 - A transaction falls under AASB 15 if there is an enforceable contract which has sufficiently specific performance obligation(s). In order for a contract (agreement) to be enforceable, the following points are pertinent:

- (a) a refund in cash or kind is required when the agreed specific performance has not occurred;
- (b) the customer, or another party acting on its behalf, has a right to enforce specific performance or claim damages;

Sufficiently specific criterion:

- (a) the nature or type of the goods or services;
- (b) the cost or value of the goods or services;
- (c) the quantity of the goods or services; and
- (d) the period over which the goods or services must be transferred.

And

Base SSAF funding - AASB 1058 - This standard applies when a not-for-profit entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset. Areas to note include:

- (a) the timing of revenue recognition will depend on whether there is any performance obligation or liability
- (b) lessees will recognise assets including leases provided at significantly less than fair value at their fair value² and
- (c) all not-for-profit entities can elect to recognise volunteer services if they can be reliably measured.

(iii) Interest

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

(iv) Goods and services

Revenue from the sale of goods and services is recognised upon satisfaction of the performance obligation, which is at the point of delivery of those goods or services to the customer. Revenue from membership fees is recognised in the year to which membership relates.

(v) Dividends

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

(vi) Other revenue

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

(vii) Government stimulus

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

(c) Income tax

Under section 50(5) of the *Income Tax Assessment Act 1997*, the Union is exempt from the payment of income tax and is therefore not brought to account.

(d) Cash and cash equivalents

Cash and cash equivalents include 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 recognised 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) 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 the 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.

(h) 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.

The 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.

(i) 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.

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

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.

(k) 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.

(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 disposal of 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.

(n) Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognized when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

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

New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the unincorporated association for the annual reporting period ended 31 December 2020. The entity's assessment of the impact of these new or amended Accounting Standards and Interpretations is that they are not applicable.

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

	2020	2019
	\$	\$
Revenue from contracts with customers		
Sales of goods and services	5,698,233	20,430,592
Rental income	1,120,864	2,449,190
Events revenue	349,895	494,875
Commissions revenue	235,114	476,343
	7,404,106	23,851,000
Interest income from financial assets measured at amortised cost	4,306	20,849
Other revenue	4,065,450	-
ATO JobKeeper		
Student Services and Amenities Fees (SSAF) funding from the University of Sydney	4,985,453	4,888,246
ATO Cashflow Boost Stimulus	75,000	-
Dividends received	183,518	266,914
Other income	494,042	1,038,407
	9,803,463	6,193,567
Total revenue	17,211,875	30,065,416

Note 4. Fair value gains on other financial assets

	2020	2019
	\$	\$
Movement in fair value of investments	122,866	536,138

Note 5. Surplus before income tax

	2020	2019
	\$	\$
Employee benefits expense	8,687,629	12,532,027
Superannuation expense	667,240	1,004,058

Note 6. Current assets - Cash and cash equivalents

	2020	2019
	\$	\$
Cash on hand	31,726	45,315
Cash at bank	3,521,997	1,033,650
	3,553,723	1,078,965

Note 7. Current assets - Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	115,162	632,652
Provision for expected credit losses	-	(4,000)
	115,162	628,652
Sundry debtors	418,350	84,501
Prepayments and other receivables	6,939	78,916
	540,451	792,069

Note 8. Current assets - Inventories

	2020	2019
	\$	\$
Finished goods	919,990	1,056,885
	919,990	1,056,885

Note 9. Current assets - Other financial assets

	2020	2019
	\$	\$
Financial assets at fair value through profit or loss:		
Shares in listed entities	3,740,229	3,738,542
	3,740,229	3,738,542

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

	2020	2019
	\$	\$
Plant, Furniture, Equipment and Vehicles		
At cost	4,025,001	5,032,898
Accumulated depreciation	(2,030,352)	(2,622,491)
	1,994,649	2,410,407
Artworks		
At cost	138,855	199,117
	138,855	199,117
Work in Progress		
At cost	-	198,920
	-	198,920
Total Plant and Equipment- at cost	4,163,856	5,434,935
Accumulated Depreciation	(2,030,352)	(2,622,491)
	2,133,504	2,808,444

Movement in Carrying Amounts

	Plant, Furniture, Equipment and Vehicles	Artworks	Work in Progress	Total
	\$	\$	\$	\$
Balance at the beginning of the year	2,410,407	199,117	198,920	2,808,444
Additions	265,938	-	67,018	332,956
Disposals	(203,353)	(60,263)	(265,938)	(529,554)
Depreciation expense	(478,342)	-	-	(478,342)
Carrying value at the end of the year	1,994,650	138,854	-	2,133,504

Note 10a. Impairment

During 2019 the Union incurred expenses relating to the Salesforce CRM platform. Due to the inability to complete and use the CRM (as a result of the developer going into liquidation in 2019), the Union recognised an impairment expense. In addition, in 2020, additional outstanding expenses were identified and have been accrued.

Note 11. Current liabilities - trade and other payables

	2020	2019
	\$	\$
Trade payables	393,106	282,512
Other payables and accruals	1,909,449	1,363,126
Contract liabilities	768,232	741,850
	3,070,787	2,387,488

Note 12. Current liabilities - employee benefits

	2020	2019
	\$	\$
<i>Annual Leave</i>		
Closing balance	863,465	627,257
<i>Long Service Leave</i>		
Closing balance	550,450	824,910
Total current employee benefits	1,413,915	1,452,167

Note 13. Non-current liabilities - Employee benefits

	2020	2019
	\$	\$
<i>Long Service Leave</i>		
Total non-current employee benefits	<u>388,538</u>	<u>188,949</u>

Note 14. Expenditure commitments

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 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 Australian Government's Superannuation Guarantee Contribution legislation (SGC).

The Union contributes to ARF_ (Australian Retirement Fund), 13% of gross salary for former members of the University of Sydney Union Superannuation Fund (USUF).

Note 15. Events subsequent to reporting date

During 2020, COVID-19 was declared a global pandemic with the New South Wales Government issuing specific restrictions on social gatherings and the closure of non-essential businesses. In 2021, this matter continued to impact USU. A number of facilities remain closed with some impact to operations. USU continued to benefit from the Commonwealth's JobKeeper program, receiving until 28 March 2021.

Other than noted above, there have been no material events subsequent to 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. 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:

Connor Wherrett	Ruby Lotz	Belinda Thomas	Caitlin Brown
Lachlan Finch	Kailin Qin	Jane Drummond	Di Wang
Maya Eswaran	Nicholas Rigby	Marie Leech	Yinfeng Shen
Decheng Sun	Prudence Wilkins-Wheat	Irene Ma	Liliana Tai
Benjamin Hines	Zimeng Ye	Nicholas Forbutt	

(b) Key management personnel compensation

	Salary	Superannuation	Benefits	Total
	\$	\$	\$	\$
Directors				
2020	89,758	3,120	-	92,878
2019	116,535	6,705	-	123,240
Other key management personnel				
2020	815,192	73,015	-	888,207
2019	1,586,565	125,849	-	1,712,413

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.

Director's Declaration

In the Directors' opinion:

- 1) The attached financial statements, comprising the Statement of profit or loss and Other comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity, and accompanying notes, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation 2013)*; and
 - b) give a true and fair view of the Union's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- 2) There are reasonable grounds to believe that the Union 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 ACNC Regulation 2013 on behalf of the Directors by:



Irene Ma
Director



Caitlin Brown
Director

Sydney
Date: 21 May 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNIVERSITY OF SYDNEY UNION
ABN 73 818 179 759****Report on the Audit of the Financial Report**

We have audited the financial report of University of Sydney Union ("the Company"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Opinion

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

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the ACNC Act.

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 Company in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("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

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's Director's report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company 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 (including Australian Accounting Interpretations) and the ACNC Act, and for such internal control as the directors 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, directors are responsible for assessing the Company'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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNIVERSITY OF SYDNEY UNION
ABN 71 121 239 674**



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'John Gavljak'.

John Gavljak
Partner

A handwritten signature in black ink that reads 'Pitcher Partners'.

Pitcher Partners
Sydney

21 May 2021