



Arc

UNSW Student Life

Arc @ UNSW

Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2012



UNSW Student Life

This financial report covers

Arc @ UNSW Limited
ABN 71 121 239 674
ACN 121 239 674

Its principal place of business is

Arc @ UNSW Limited
The Blockhouse
Anzac Parade
Kensington NSW 2032

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Arc @ UNSW Limited

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CONTENTS

CEO's Report	4
Chair's Report	7
Board of Directors	9
Financial Reports:	
› Directors' Report	11
› Auditor's Independence Declaration	15
› Statement of Comprehensive Income	18
› Statement of Financial Position	19
› Statement of Changes in Equity	20
› Statement of Cash Flows	21
› Notes to the Financial Statements	22
› Declaration by Directors	33
› Independent Audit Report	34



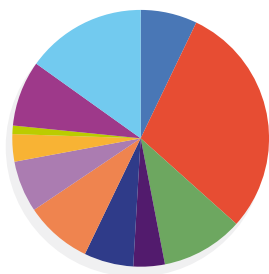
Brad Hannagan
Chief Executive Officer

Chief Executive Officer's Report

2012 was an exceptionally strong year for the organisation with outstanding growth in membership numbers and extremely positive financial performance. The year saw the finalisation of the retail buyout that was agreed in the previous year. Excluding the surpluses generated by the sale of retail, Arc finished the year with an operating deficit of \$285,154 – a \$1,082,936 improvement over the preceding year. Arc's cash and equivalents at year end were almost \$3.0M better than at the end of the preceding year.

Despite the cash flow from the retail sale being received over an extended period, the total amount of the sale needed to be recorded in 2012. This delivered total 'accounting' profit for the year in the amount of \$10,699,932. The end result is an incredibly strong Balance Sheet particularly given the uncertainty over student organisations and related legislation during the past 6-7 years. Arc's financial focus will be about identifying new commercial investment opportunities to ultimately replace the income generated by retail.

Following the implementation of the Student Services and Amenities Fee, UNSW funded Arc to the tune of \$3.2M. How that \$3.2M was spent is broken down in the following chart. The funds were spent exclusively on Direct Student Expenditure (DSE) with profits from other areas of the business funding the administration of the organisation. The organisation has a strategic goal to ensure DSE grows by 5% year-on-year. This will be achieved via indexation of the UNSW grant and additional profits from the organisation's commercial growth strategy.



**SSAF Arc
Breakdown 2012**

COFA & Kudos	\$228158
Student Development	\$943579
Student Support	\$331272
Student Facilitation Project	\$126530
Arc Board	\$199272
SRC	\$270190
Membership	\$207473
PGC.	\$110288
IRC	\$34236
Publications	\$264955
Events & Activities	\$484047

Membership

The introduction of the Student Services and Amenities Fee (SSAF) in late 2011 necessitated a major shift in the membership strategy for 2012. Arc's 2012 Membership structure embraced an engagement based membership model that was developed to highlight the diverse nature of Arc's operations and opportunities and to enable an effective line of communication to the student body. Mindful of increasing the financial obligations of students in light of the SSAF, the 2012 membership program, removed the existing fee of \$69.00 providing membership at no cost to students.

The change in structure saw Arc experience exponential growth in all key student segments, ending the year with 22,962 members. The 2012 Membership campaign "Get More Out of Uni Life" was designed to encourage participation within the numerous facets of Arc, the campaign featured UNSW students in a variety of settings unique to Arc and UNSW.

The 2012 Student Survey was very successful with 3,258 students completing the survey, an increase of 283% on 2011. A significant increase was experienced in 'intention to re-join' both overall and within key demographic segments including Undergraduate, Post Graduate and International Students.

The membership department continued to foster relationships with key stakeholders through an expanded Arc Partner Program, actively seeking further ways to work together to achieve a mutual promotion of services.

Arc Internships

The Arc internships were highly sought after in 2012, the internships offer students a 28 week paid opportunity to gain professional experience and develop valued graduate attributes within a structured environment. Each intern facilitated a major project that enabled them to affect positive change within Arc and its respective departments. The Arc internships were offered in the following areas –

- › Graphic Design
- › Kudos Gallery (2 positions)
- › Information Technology
- › Venue & Events
- › Student Support (Legal)
- › Human Resources
- › Environment
- › Sponsorship & Advertising

Sponsorship and Advertising

A very successful O-Week, the rejuvenation of Welcome Back Day and positive growth in on-campus promotional activities were 2012 highlights for the Sponsorship and Advertising department. The department continued its strategy to diversify existing revenue streams and create new on campus opportunities to combat the ongoing decline in traditional print media and event sponsorship opportunities. This resulted in the creation of one new property and a targeted focus upon amalgamating properties and opportunities to mitigate negative impacts on any singular property. The department focused upon the enhancement of the client experience throughout 2012, with post event surveys showing positive gains in this area and an increase in repeat business. The department expanded its client reach by over 15% throughout the year, increasing its traction and communication with clients through the e-newsletter, UniBuzz.

Venue & Events

The Roundhouse hosted over 190 student events throughout 2012 engaging over 102,000 patrons. It provided over 2,100 hours of free room hire to Arc Clubs and Societies and offered 85 casual employment opportunities to students.

A primary focus of the Venue & Events team was broadening event and social interaction opportunities for students that did not focus upon alcohol or the core Roundhouse demographic.

A review of the student events and activities resulted in the implementation of several new events including the Skateboarding event (Shred til your Dead), Travel Expo and the re-launch of a revitalised Outdoor Cinema series and new program of "How To" activities. Session parties continued to be popular with 6 events hosted over the year with a variety of themes from Toga to Block Party. Foundation Day continued to be student facilitated and was a resounding success with both the day and night events well attended. Oktoberfest sold out in record time, the overwhelming demand for the event and tickets have necessitated a review of the events structure and its implementation in future years.

The Roundhouse hosted over 100 commercial events throughout the year with over 50,000 patrons coming through the venue. The Roundhouse continued to host significant international and local touring acts including The Darkness, Angels and Airwaves, Pennywise, Reel Big Fish, Bluejuice and Ball Park Music. The need for a significant refurbishment of the Roundhouse continues to be apparent, the deteriorating condition of the venue continues to negatively impact commercial revenue streams. Gross profit is consistently impacted by increased labour and discounting to enable manual covering of the discernible venue issues and to enable client retention.

The White House celebrated its first birthday in 2012. Since its opening, Arc has focused upon ensconcing the venue within the student psyche and building long term patronage. The White House continues to provide a unique, intimate venue on campus, enabling social and networking opportunities for students and staff within a cafe and bar environment.

The Café of the Other Side (Café) in Paddington, continued to be negatively impacted by the protracted COFA Building works. With the works scheduled to be complete in March 2013 the decision was made to close the Cafe in session 2, to enable a refurbishment of the venue, restructure and re-launch to correspond with the return of students to the COFA campus.

Marketing & Communications

The Marketing and Communications department experienced a very successful 2012. The department averaged 15% growth across key communication channels including website visitation, social media engagement, e-newsletter and readership of key publications. The department continued to produce an enviable collection of high quality graphic design work, including the major publications 2012 Diary, Good Book, Complete Guide to Arc, Student Survival Guide and Roundhouse passport.

A key focus for the department was streamlining several key sub brands to enhance the visual, tone and identity links back to the Arc master brand. Student engagement remained a high priority, realised through the provision of development opportunities within Blitz Magazine, internships and through the support of student publications including The Student Cookbook and UNSWeetened.

The auspicious debut of Arc Creative Services late in the year, was well received. Arc Creative Services was created to provide graphic design, copywriting and editing services to UNSW and external businesses.

Student Development

After an excellent 2011, Student Development continued to excel in 2012 achieving some remarkable benchmarks.

The Student Development and Clubs office continued to receive strong amounts of patronage from clubs and volunteers alike. The hustle and bustle of the office was made possible by the welcoming environment and depth of knowledge of staff. Made up of both alumni and current students, the staff managed to accomplish a plethora of feats: new volunteer programs were created and existing ones improved, clubs were better supported and their number almost doubled, and recognition of their accomplishments had never been as highly celebrated.

Over the course of the year over 235 clubs were active, closing the year out with 172 affiliated and another 63 in various stages of application. Yet again, Student Development had broken its previous records for the financial support provided to clubs with over \$97,000 provided in Activity Grants, helping 113 clubs run 735 activities for their club members and the general student body. On top of that, over \$14,000 was provided to clubs for the purchase of key equipment for use in their activities and promotions. The Student Development Committee (SDC) saw roughly \$11,000 in Student Community & Development Grants (SCDG) administered to clubs in conjunction with UNSW to help launch 58 unique student opportunities. Overall interaction from Arc affiliated clubs increased with record numbers attending events such as Mid Year O-Week, Welcome Back Day and O-Week itself. Attendance at Clubs General Meetings also saw a marked increase, allowing for a more efficient and streamlined delivery in communication.

Arc's Volunteer Programs saw incredible success with almost 4,000 volunteers. The UNSWeetened Literary Journal and Student Cookbook were two incredibly high quality publications and not only drew record crowds at their launches, but also drew the attention and involvement of renowned Australian poet Les Wicks and the inaugural winner of Masterchef Australia, Julie Goodwin. The Duke of Edinburgh's Award saw an increase in participation and paved the way for dramatic changes to its running in 2013. Global Village returned to India, Nepal and Fiji building strong connections with NGOs and their associated partners, as

Chief Executive Officer's Report (cont'd)

well as providing the stability and consistency that these communities (especially those where children) require. Global Village also extended its reach to Cambodia, a relationship that will be strengthened in 2013 as another trip of volunteers is set to build upon the efforts of their predecessors.

Walama Muru this year saw an unprecedented amount of interest resulting in a larger cohort of volunteers assisting a community in Palm Island with which we have built an entirely new connection. This trip saw the entire Palm Island PCYC refurbished with the assistance of our dedicated team of volunteers. CONTACT saw another increase in interest finally breaking 100 applicants, and maintained its record of excellence in assisting students on anything they might require. Stationery Reuse Centre welcomed the year and new students with an influx of new companies who donated and over 11,000 pieces of stationery distributed to students. ARTSweek was filled with plenty of fun activities and exhibition, with the Postscript exhibit in particular drawing in a large amount of submissions and attendees.

Our youngest programs The Pod, vHub and the Mob continue to grow and strong foundations have been set for 2013 for these programs to go to the next level. Shack Tutoring recruited over 100 volunteers to meet with the increase in demand from Shack Youth Services' associated schools for private tutors. Each session is filled with high school students searching for tutoring.

The Volunteer Army saw incredible growth, reaching 3,000 volunteers sign ups and cumulatively accruing over 4,000 hours of volunteering in a range of fields from assisting Cancer research to helping raise funds for children in developing countries and helping those less fortunate closer to home by providing a place to spend the night.

O-Week 2012 as ever was even bigger and better than in previous years. Guided with passion by Matthew Ward, a former Arc Board Director.

2012 also saw the successful launch of the Volunteer Alumni Network as well as establishing the Justices of the Peace League program to start in 2013.

Student Support

The number of students accessing legal and advocacy services continued to grow in 2012 due to ongoing marketing and promotional work and a substantial rise in referrals from the various UNSW units such as the Hub and faculty offices. Almost 800 students received some form of assistance in 2012, ranging from a single email contact up to representation in the district court or UNSW Appeal Committee. Some key successes included over \$40,000 in Centrelink income support claims through appealing decisions about eligibility or overpayment, a number of postgraduate appeals against termination or downgrading of research candidature and a cohort of driver licence appeals (speeding, drink driving or loss of points) and insurance claims (both defending and pursuing).

Arc's relationship with the leading Sydney law firm Carroll & O'Dea also allowed issues like personal injury to be referred at no cost. Unsurprisingly student housing was again the number one issue arising from casework, and in response Arc made an effective submission to the Social Policy Committee of the NSW Parliament which was conducting a review into housing and in particular the circumstances of overseas

students. This saw many suggestions for change being incorporated into the committee's response and subsequent enacting of the new NSW Boarding Houses Act which will give tenants' advocates more capacity to take action for those living in the secondary rental market.

Arc @ COFA

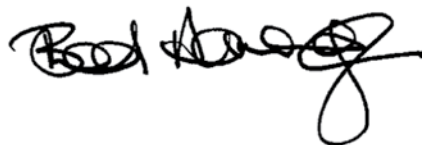
Arc @ COFA saw a great year of student involvement and engagement. Due to changes in membership, COFA saw a rise in members from just 300 at the end of 2011, to 1,313 by end of 2012.

With a disparate campus community, the COFA department continued to run small and regular weekly events, including free weekly yoga classes for Arc members, followed by free meditation sessions coordinated in conjunction with the UNSW Counselling service.

In 2012 the external Arc @ COFA website was closed and all information was transferred to the main Arc website. The Arc @ COFA fortnightly e-newsletter had a major marketing upgrade and continues to be an invaluable resource to connect with members and advertise Arc @ COFA services. The open rate of the e-newsletters since the upgrade has gone from 230 per mail out to 714 and continued to grow throughout 2012.

During the year, SDC @ COFA approved 32 Art and Design Grants in 4 rounds, giving a total of \$7,780 to extracurricular student projects including exhibition expenses, development courses and conference fees, transport, performances, art work materials, and framing.

Exhibition proposals received for the Kudos Gallery increased from an average 3-5 in each round (4/year) to 15-20 in 2012. In response to demand, fortnightly exhibitions were largely reduced to one week and 33 exhibitions were hosted during the year, bringing in 4,818 visitors to the gallery. Kudos also saw an increased general interest from the student body which resulted in 49 volunteers throughout the year assisting with installations, opening nights and annual maintenance. In its 11th year, the Kudos Award continues to recognise innovation and excellence across all disciplines at the UNSW College of Fine Arts. Of almost 200 entries received in the year, 50 students were selected as finalists for exhibition and judging.



Brad Hannagan
Chief Executive Officer



Alex Peck
Chair of the Board, Student Director

Chair's Report

2012 has been a year of consolidation and renewal for Arc. Where 2011 brought the biggest changes to the organisation since its incorporation, 2012 saw Arc refocussing on the core services and activities that UNSW students expect from their student organisation. The conclusion of Arc retail assisted in this, allowing the organisation to focus much more strongly on supporting students, providing them with opportunities to develop new skills and gain experience and making UNSW a vibrant and engaging place to study. At the same time, Arc also had significant challenges to meet. The large influx of members under free membership strained a number of lower-capacity services, the organisation was still able to cope.

The Board had an exceptionally high turnover in 2012, with some of our most experienced Directors departing and a number of new Directors being welcomed. Despite that, the Board was still able to introduce some important pieces of organisational change. Of particular note was ensuring that Arc was compliant with new Workplace Health and Safety legislation, which gave the Board increased accountability for the health and safety of not only Arc's employees, but also volunteers and other involved students. The Board also elected to relaunch Arc's food and beverage outlet at COFA as the Cornerhouse Café, coinciding with the reopening of the Paddington campus in 2013.

The Board supported Arc's bid for the operation of the UNSW Gymnasium and while ultimately unsuccessful, the extremely high quality of the bid clearly demonstrated the dedication, strength and collective experience of Arc's management team.

2012 marked the first full year of Arc's formal partnership with the University, which saw closer ties on a number of levels. A highlight was Arc's inaugural presentation to the UNSW Council on student life.

The foundations laid during 2012 leave Arc in a strong position to take on the exciting new opportunities and challenges that lie ahead in 2013. More importantly, Arc will meet these hurdles with a stronger focus on students than ever before.

The Student Services and Amenities Fee

2012 heralded the first year in which the Student Services and Amenities Fee (SSAF) was levied on all domestic students. The fee and the legislation underpinning it increased the University's accountability to students on the allocation of those funds. Consequently the University convened the Student Leaders Group, which was charged with leading UNSW's consultation with students as required under the SSAF legislation. UNSW is still the only university nationally to give students that degree of control over the consultation

process. The consultation is then used to inform the allocation of SSAF applicable expenditure as a part of UNSW's budgeting process for the coming year.

Student Representative Council

In 2012, the SRC continued to provide strong representation for UNSW students. By lobbying as part of the SSAF leaders group the SRC secured some considerable wins for students at UNSW, including the addition of a GP at the medical centre and the introduction of three microwave stations throughout campus. Other notable successes included the launch of the Renew UNSW campaign (Environment Department), an amazing turnout at the International Night Markets (International Department) and possibly the biggest Queer Week yet. The SRC continued to ensure that UNSW students were getting fair representation and input in University decision-making at all levels.

Postgraduate Council

The Postgraduate Council moved from strength to strength in its second year. 2012 saw the PGC focus on expanding its profile on and off campus to engage with more postgraduate students. Notable initiatives included raising awareness of the SSAF amongst postgraduates and ensuring that they were heard in the consultative process, leading the way on recognising good supervisor conduct through the inaugural PGC Supervisor Awards. The council ran many new events throughout the year such as Academia Meets Industry, Art Meets Science and Trivia; which were all very successful evenings. There were also numerous postgraduate social evenings, with the inaugural PGC Spring Ball the highlight of the year. Establishing strong ties with the University, in particular the GRS was also an important step to better represent postgraduate students. The PGC also initiated ties with postgraduate students at UNSW Canberra, providing them with representation to Chancellery for the first time and building the foundations for a more formalised relationship in 2013.

In the future, the PGC will continue to foster a supportive and active postgraduate community at UNSW. Engaging postgraduate students by tailoring events for groups within the postgraduate community, as well as building stronger ties with the University, will be key to ensuring that they continue to receive effective support and representation.

Inter-Residential Council

The inaugural year of the UNSW IRC was an unequivocal success, with students residing on campus having access to a unified structure for inter-residential engagements and representation for the first time. Despite 2012 marking its first year, the IRC had a number of major successes including the launch of intercollege trivia and battle of the bands as well as the first Inter-Residential Ball run by the IRC. In an environment where university colleges and residences are under increasing scrutiny, the IRC has strengthened the ties between residences and forged a strong democratic leadership structure, which each residence now adheres to.

The IRC has also committed to growth in 2013, with the incorporation of the Inter College Sports Association (ICSA) as part of the IRC from the beginning of the year.



Alex Peck

Chair of the Board, Student Director

Board of Directors

CURRENT DIRECTORS



Brad Hannagan
Chief Executive Officer
Managing Director
Company Secretary



Alex Peck
Chair of the Board
Student Director



Alyse Behringer
Honorary Treasurer
Student Director (CoFA)



Jeffrey Forrest
Alumni Director



Kynan Newsan
Alumni Director



Peter McGeorge
University Director



Brooke Predebon
University Director



Richard Cornwell
Student Director



Bob Liang
Student Director



Michelle Dunn
Student Director (Postgraduate)



Chris Mann
Student Director



Andrew Roberts
Student Development Committee
(SDC) Convenor



Joshua Yen
Postgraduate Council (PGC)
President



Ross Willing
Student Representative Council
(SRC) President

Board of Directors

OUTGOING DIRECTORS



Natalie Karam
Chair of the Board
Student Director



Sophie D'Ambra
Honorary Treasurer
Student Director



James Fehon
Student Director (CoFA)



Luke Parkitny
Student Director (Postgraduate)



Sarah Dunbar
University Director



Taye Morris
University Director



Karen James
Alumni Director



Chris Antonini
Student Development Council
(SDC) Convenor



Edward Kearney
Postgraduate Council (PGC)
President



Tim Kallyanda
Student Representative Council
(SRC) President

Directors' Report

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2012.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Brad Hannagan

Jeffrey Forrest

Alex Peck

Ross Willing
(resigned on 26 November 2012 and appointed as Student Representative Council ('SRC') President on 1 December 2012)

Alyse Behringer (appointed on 4 June 2012)

Michelle Dunn (appointed on 4 June 2012)

Chris Mann (appointed on 4 June 2012)

Peter McGeorge (appointed on 4 June 2012)

Kynan Newswan (appointed on 24 September 2012)

Richard Cornwell (appointed on 24 September 2012)

Bob Liang (appointed on 1 December 2012)

Andrew Roberts (appointed on 1 December 2012)

Joshua Yen (appointed on 1 December 2012)

Brooke Predebon (appointed on 17 December 2012)

Karen James (resigned on 4 June 2012) *

James Fehon (resigned on 4 June 2012) *

Taye Morris (resigned on 4 June 2012) *

Natalie Karam (resigned on 4 June 2012) *

Luke Parkitny (resigned on 4 June 2012) *

Sophie D'Ambra (resigned on 3 September 2012)

Tim Kaliyanda (resigned on 30 November 2012) *

Edward Kearney (resigned on 30 November 2012) *

Chris Antonini (resigned on 30 November 2012) *

Sarah Dunbar (resigned on 26 November 2012)

Objectives

The principal objective of the company is to provide services to its members, being students of the University of New South Wales ('UNSW').

Strategy for achieving the objectives

The company will meet its objectives by implementing operational and strategic plans around the key goals of student engagement, development and support. Continual re-evaluation and feedback from students will be sought to ensure the relevance and success of the company's programs.

Principal activities

During the financial year the principal continuing activity of the company consisted of providing services and a complete university experience for UNSW students. These include:

Graduation Services	graduation dress hire;
Student Development	volunteering, grants, courses and Student Development Committee (SDC);
Representation	Student Representative Council ('SRC'), Inter-Residence Council ('IRC') Postgraduate Council ('PGC') and Student Support (Legal and Advocacy);
Entertainment	Roundhouse parties, bars and weekly entertainment;
Food & Beverage	Bistro, The White House, Cornerhouse;
Publications	Blitz, Tharunka, UNSweetened, International Cookbook, College Voice;
Clubs and Societies Facilities	Computer labs, rooms for hire, postgrad lounge.

Performance measures

The company measures its performance through key performance indicators defined by the Board. The success of the organisation is initially measured by the number of students engaged with the organisation through their membership. Additional measures around participation, financial, employability and volunteer numbers have also been implemented.

* These director resignations to ASIC were as a result of their terms concluding on these dates, not an actual resignation of their position on the Board.

Directors' Report (cont'd)

Director	Title	Experience/Qualifications	Special Responsibilities
Brad Hannagan	Chief Executive Officer, Managing Director and Company Secretary	MMGT (Macq). Brad is a director of ACUMA Incorporated	Chair of Work Health & Safety Subcommittee (appointed November 2012)
Jeffrey Forrest	Alumni Director	BA (Hons) UNSW. Jeffrey is a management consultant at L.E.K. Consulting with over 6 years' experience in business strategy. He has advised a number of not-for-profit organisations on strategic growth and governance issues, and has been involved in the founding and development of several social enterprises. He is a former Arc staff member and volunteer.	
Alex Peck	Student Director	Alex is a B.Sc. (Ecology)/B.SocSc. (Politics) student. He is a former member of UNSW Academic Board (2011), UNSW Committee on Education (2011), SRC Councillor (2010 & 2011) and was the Secretary of the UNSW Whitlam Club (2011)	Chair of Nominations & Remuneration Subcommittee (June 2011 - May 2012), Chair of the Board (appointed June 2012).
Ross Willing	SRC President	Ross is a B.Arts (Politics)/LLB student. He was an ordinary Director of Arc from June 2011 to Nov 2012. He has extensive involvement in University life, including a range of activities at New College, the Uni Games hockey team, SRC as well as in Arc clubs and volunteer programs. He also has experience working in politics and government	Chair of Membership & Services Subcommittee (June 2011 - May 2012), Chair of Audit & Risk Subcommittee (July 2012 - November 2012).
Alyse Behringer	CoFA Director (appointed on 4 June 2012)	Alyse is a B.Design student at the UNSW College of the Fine Arts. Alyse is the former CoFA student representative on the SDC and as part of this role also chaired the SDC@CoFA Subcommittee on the CoFA campus. She has extensive involvement in Arc volunteer programs on both campuses. She was the 2012 Co-President of the CoFA Society and will be a Yellow Shirt in 2013	Honorary Treasurer (appointed on 4 June 2012)
Michelle Dunn	Postgraduate Director (appointed on 4 June 2012)	B.Sc. (Hons) in Chemical Science UNSW. Michelle is a PhD candidate and lab demonstrator in the School of Chemistry. She is a former Yellow Shirt (Squad Leader and organising team) and CONTACT volunteer. She was the 2012 President of the Students of Chemistry Society	Chair of Nominations & Remuneration Subcommittee (appointed June 2012).
Chris Mann.	Student Director (appointed on 4 June 2012)	Chris is a B.Eng (Photovoltaics)/B. Science (Physics) student. He has been an active member within the college environment and is also consistently involved with student representation and Arc clubs. Chris has also worked in the engineering sector with projects, including the construction and design of trigeneration technology	Chair of Membership & Services Subcommittee (appointed June 2012)
Peter McGeorge	UNSW Director (appointed on 4 June 2012)	Peter is the UNSW Associate Director, Facilities Management (Planning and Development)	

Directors' Report (cont'd)

Kynan Newsan	Alumni Director (appointed on 24 September 2012)	B. Comm (Hons I) (UNSW), MBA (Exec) (AGSM UNSW). Kynan is a Senior Manager within Human Resources ('HR') at Macquarie Limited working as an internal Remuneration Advisor to key business groups; he has over 10 years HR experience mostly in remuneration as well as a further two years' experience as a Food Retail Manager. He is a former staff member and volunteer of the Arc legacy organisations (UNSW Union) and the Student Representative Council.	
Richard Cornwell	Student Director (appointed on 24 September 2012)	Richard is a B.Eng (Civil)/LLB student. He has been a tutor in the School of Civil & Environmental Engineering since mid-2011 and has been elected to sit on the Engineering Faculty Board (2013). Richard's involvement with Arc has included programs such as Yellow Shirts (2011-2012), Global Village (2012) and Day Trippers (2012)	Chair of Audit & Risk Subcommittee (appointed December 2012)
Bob Liang	Student Director (appointed on 1 December 2012)	Bob is a B.Arts (English)/LLB student. He is a former elected student representative on the Faculty of Law Board (Standing Committee and Equity & Diversity) and Faculty of Arts and Social Sciences Board and Honours Working Party. He has been an active member of UNSW Law School and Arc since its inception. Bob was the 2012 President and Founder of the UNSW Pro Bono Society. He is a volunteer for Shopfront Youth Legal Centre and has also worked in corporate law (including IP, infrastructure and property), not-for-profits and consultancy.	
Andrew Roberts	SDC Convenor (appointed on 1 December 2012)	Andrew is a B.Arts (English/International Relations) student undertaking Honours in 2013. Andrew has had comprehensive experience with Clubs and Societies as the 2012 Treasurer of the Culture Club, 2011 President of the TKC Hawkesbury Association and 2010 President of the TKC Hawkesbury Association. Andrew has been extensively involved with college activities, including his position as the 2010 President of Goldstein College. Andrew is a volunteer with the Justice of the Peace League and was a Student Development Officer in 2012	
Joshua Yen.	PGC President (appointed on 1 December 2012)	BE (Hons I & The University Medal) UNSW. Josh is a PhD Candidate at UNSW and has been involved in various activities such as: PGC Research Students Officer (2012); School of Mechanical & Manufacturing Engineering Academic Tutor; New College Academic Tutor (2009 and 2010) and New College Revue Producer (2008).	
Brooke Predebon	UNSW Director (appointed on 17 December 2012)	BA (Sports Management). As a member of UNSW staff for 9 years Brooke has held numerous central and faculty positions and is currently the General Manager for the Australian School of Business ('ASB'). Primary responsibilities include strategic and operational management of the faculty, advice and support to the Dean and act as an interface between UNSW Central Services and ASB to determine the provision and standards of all shared services (currently member of 13 different central Boards/Committees). Brooke also plays an active involvement in the Rotary community.	

Directors' Report (cont'd)

Company Secretary

Brad Hannagan has been Company Secretary since 7 February 2008, and continues in office at the date of this report.

Directors' Meetings

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2012, and the number of meetings attended by each director were:

Full Board		
	Attended	Held
Brad Hannagan	12	13
Jeffrey Forrest	11	13
Alex Peck	13	13
Ross Willing	13	13
Alyse Behringer *	8	8
Michelle Dunn *	7	8
Chris Mann *	7	8
Peter McGeorge *	6	8
Kynan Newsan *	4	4
Richard Cornwell *	4	4
Bob Liang *	1	1
Andrew Roberts *	1	1
Joshua Yen *	1	1
Brooke Predebon *	-	1
Karen James **	5	5
James Fehon **	5	5
Taye Morris **	5	5
Natalie Karam **	5	5
Luke Parkitny **	4	5
Sophie D'Ambra **	7	9
Tim Kaliyanda **	12	12
Edward Kearney **	11	12
Chris Antonini **	12	12
Sarah Dunbar **	10	12

Held: represents the number of meetings held during the time the director held office.

* Appointed during the year

** Resigned/concluded their term during the year

Directors' Report (cont'd)

CONTRIBUTIONS ON WINDING UP

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each. Honorary members are not required to contribute.

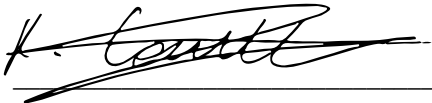
The total amount that members of the company are liable to contribute if the company is wound up is \$22,962, based on 22,962 current ordinary members.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Cornwell

Director



Alyse Behringer

Honorary Treasurer

25 March 2013
Sydney

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF Arc @ UNSW LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Arc @ UNSW Limited for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.



Moore Stephens Sydney
Chartered Accountants



Chris Chandran
Partner

Dated in Sydney this 25th day of March 2013

Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2012

CONTENTS PAGE

FINANCIAL REPORT

› Statement of comprehensive income	18
› Statement of financial position	19
› Statement of changes in equity	20
› Statement of cash flows	21
› Notes to the financial statements	22
› Directors' declaration	33
› Independent auditor's report to the members of Arc @ UNSW Limited	34

General information

The financial report covers Arc @ UNSW Limited as an individual entity. The financial report is presented in Australian dollars, which is Arc @ UNSW Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Arc @ UNSW Limited is a not-for-profit unlisted public company limited by guarantee.

The financial report was authorised for issue, in accordance with a resolution of directors, on 25 March 2013. The directors have the power to amend and reissue the financial report.

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Revenue from continuing operations	3	10,832,390	9,059,341
Expenses			
Food, beverage and other purchases		(1,842,577)	(1,559,034)
Employee benefits expense		(5,525,157)	(5,323,409)
Depreciation expense	4	(622,662)	(925,222)
Marketing		(310,400)	(255,367)
Membership		(20,709)	(133,761)
Administration		(308,705)	(292,753)
Utilities		(262,414)	(240,907)
Security		(304,943)	(270,691)
Rental, hire, finance lease		(395,617)	(342,283)
Other expenses		(1,419,409)	(1,084,004)
Finance costs	4	(104,951)	-
Deficit before income tax expense from continuing operations		(285,154)	(1,368,090)
Income tax expense		-	-
Deficit after income tax expense from continuing operations		(285,154)	(1,368,090)
Surplus after income tax expense from discontinued operations	5	10,985,086	446,993
Surplus/(deficit) after income tax expense for the year attributable to the members of Arc @ UNSW Limited	17	10,699,932	(921,097)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Arc @ UNSW Limited		10,699,932	(921,097)

(The accompanying notes form part of this financial report)

Statement of Financial Position

AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	6	6,529,787	3,566,074
Trade and other receivables	7	1,932,068	594,204
Inventories	8	444,879	611,455
Total current assets		8,906,734	4,771,733
Non-current assets			
Trade and other receivables	9	7,164,533	-
Property, plant and equipment	10	1,334,833	1,812,042
Intangibles	11	282,287	208,190
Other	12	1,200	1,200
Total non-current assets		8,782,853	2,021,432
Total assets		17,689,587	6,793,165
Liabilities			
Current liabilities			
Trade and other payables	13	1,146,992	951,804
Borrowings	14	-	15,529
Employee benefits	15	366,988	327,108
Deferred income	16	202,621	225,670
Total current liabilities		1,716,601	1,520,111
Total liabilities		1,716,601	1,520,111
Net assets		15,972,986	5,273,054
Equity			
Retained surpluses	17	15,972,986	5,273,054
Total equity		15,972,986	5,273,054

(The accompanying notes form part of this financial report)

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

	Retained surpluses \$	Total equity \$
Balance at 1 January 2011	6,194,151	6,194,151
Deficit after income tax expense for the year	(921,097)	(921,097)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(921,097)	(921,097)
Balance at 31 December 2011	5,273,054	5,273,054
	Retained surpluses \$	Total equity \$
Balance at 1 January 2012	5,273,054	5,273,054
Surplus after income tax expense for the year	10,699,932	10,699,932
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	10,699,932	10,699,932
Balance at 31 December 2012	15,972,986	15,972,986

(The accompanying notes form part of this financial report)

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from sale of goods and other		6,746,570	8,823,645
Receipts from membership		6,341	336,808
Receipts from UNSW service agreement		3,200,000	2,100,000
Receipts from Education Trust		1,606,697	-
Payments to suppliers and employees		(12,078,982)	(12,162,964)
Interest received		194,877	254,667
Net cash used in operating activities		(324,497)	(647,844)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(181,390)	(1,046,579)
Payments for intangibles	11	(121,566)	(25,459)
Proceeds from sale of business		3,523,289	-
Proceeds from sale of property, plant and equipment		83,406	3,908
Net cash from/(used in) investing activities		3,303,739	(1,068,130)
Cash flows from financing activities			
Repayment of lease liability		(15,529)	(214,151)
Net cash used in financing activities		(15,529)	(214,151)
Net increase/(decrease) in cash and cash equivalents		2,963,713	(1,930,125)
Cash and cash equivalents at the beginning of the financial year		3,566,074	5,496,199
Cash and cash equivalents at the end of the financial year	6	6,529,787	3,566,074

(The accompanying notes form part of this financial report)

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012

Note 1. Significant 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 company 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.

Except for AASB 1053 'Application of Tiers of Australian Accounting Standards', AASB 2010-02 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements', AASB 2011-2 'Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements' and AASB 2011-6 'Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements', which were early last year, no other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

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

AASB 1054 Australian Additional Disclosures

The company has applied AASB 1054 from 1 January 2012. The standard sets out the Australian-specific disclosures as a result of Phase I of the Trans-Tasman Convergence Project, which are in addition to International Financial Reporting Standards, for entities that have adopted Australian Accounting Standards.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project and AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements

The company has applied AASB 2011-1 and 2011-2 amendments from 1 January 2012. These amendments made changes to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to International Financial Reporting Standards ('IFRSs') and harmonisation between Australian and New Zealand Standards. The amendments removed certain guidance

and definitions from Australian Accounting Standards for conformity of drafting with IFRSs but without any intention to change requirements.

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'), and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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 company'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.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services

Rendering of services revenue is recognised when the service is provided.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 1. Significant accounting policies (cont'd)

Membership

Membership income is recognised on an accruals basis.

Other revenue

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

Income tax

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

Discontinued operations

A discontinued operation is a component of the company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of comprehensive income.

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. 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 original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value and subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 1. Significant accounting policies (cont'd)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

› Leasehold improvements	10 years
› Furniture and fittings	5 years
› Motor vehicles	5 years
› Computer equipment	3 years
› Academic dress	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 to sell 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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 1. Significant accounting policies (cont'd)

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Employee benefits

Long service leave

The liability for long service leave is recognised in current and non-current liabilities depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in current liabilities 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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

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, liabilities, contingent liabilities, revenue and expenses. 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.

Estimation of useful lives of assets

The company 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 and amortisation 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.

Goodwill and other indefinite life intangible assets

The company tests annually or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 3. Revenue

	2012 \$	2011 \$
From continuing operations		
Sales revenue		
UNSW service agreement funding	3,200,000	2,800,000
Sale of goods	3,393,130	3,197,097
Rental, venue hire, amusements	1,126,488	1,283,465
Sponsorships	465,081	363,587
Membership	6,341	336,808
Academic dress hire	619,275	560,356
	8,810,315	8,541,313
Other revenue		
Interest	194,877	254,667
Education Trust	1,606,697	-
Other revenue	220,501	263,361
	2,022,075	518,028
Revenue from continuing operations	10,832,390	9,059,341

Note 4. Expenses

	2012 \$	2012 \$
Deficit before income tax from continuing operations includes the following specific expenses:		
Depreciation and amortisation		
Leasehold improvements	72,028	17,880
Furniture and fittings	389,505	602,056
Motor vehicles	27,175	31,753
Computer equipment	72,994	114,027
Academic dress	13,491	13,838
Software	47,469	145,668
	622,662	925,222
Total depreciation and amortisation	622,662	925,222
Rental expense relating to operating leases		
Minimum lease payments	196,615	158,620

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 5. Discontinued operations

On 18 September 2012, Arc @ UNSW Limited accepted an offer from UNSW to buy-out all of the company's retail outlets with the exception of the Graduation and Gift Shop. UNSW paid the company \$11 million in consideration, with \$3 million up front and \$8 million spread over 9 years in equal instalments.

Cash flow information	2012 \$	2011 \$
Net cash from/(used in) operating activities	(14,914)	446,993
Net increase/(decrease) in cash and cash equivalents from discontinued operations	(14,914)	446,993

Note 6. Current assets - cash and cash equivalents

	2012 \$	2011 \$
Cash on hand	36,010	33,839
Cash at bank	58,496	668,039
Cash on deposit	6,435,281	2,864,196
	6,529,787	3,566,074

Note 7. Current assets - trade and other receivables

	2012 \$	2011 \$
Trade receivables	943,050	175,204
Less: Provision for impairment of receivables	(5,000)	(5,000)
	938,050	170,204
Other receivables	1,475	200,866
Receivable from UNSW, net present value	835,467	
Prepayments	157,076	223,134
	1,932,068	594,204

Note 8. Current assets - inventories

	2012 \$	2011 \$
Finished goods - at cost	444,879	627,429
Less: Provision for impairment		(15,974)
	444,879	611,455

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 9. Non-current assets - trade and other receivables

	2012 \$	2011 \$
Trade receivable - long term	523,289	
Receivable from UNSW, net present value	6,641,244	
	7,164,533	

Note 10. Non-current assets - property, plant and equipment

	2012 \$	2011 \$
Leasehold improvements - at cost	758,460	715,217
Less: Accumulated depreciation	(89,908)	(17,880)
	668,552	697,337
Furniture and fittings - at cost	3,360,728	3,251,974
Less: Accumulated depreciation	(2,948,272)	(2,558,767)
	412,456	693,207
Motor vehicles - at cost	164,158	164,158
Less: Accumulated depreciation	(101,646)	(74,471)
	62,512	89,687
Computer equipment - at cost	799,853	770,460
Less: Accumulated depreciation	(717,397)	(644,403)
	82,456	126,057
Computer equipment - leased	253,734	253,734
Less: Accumulated depreciation	(253,734)	(253,734)
	-	-
Academic dress - at cost	136,123	136,123
Less: Accumulated depreciation	(42,267)	(28,776)
	93,856	107,347
Other	15,001	98,407
	15,001	98,407
	1,334,833	1,812,042

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 10. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements	Furniture and fittings	Motor vehicles	Computer equipment	Academic and other	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2012	697,337	693,207	89,687	126,057	205,754	1,812,042
Additions	43,243	108,754	-	29,393	-	181,390
Disposals	-	-	-	-	(83,406)	(83,406)
Depreciation expense	(72,028)	(389,505)	(27,175)	(72,994)	(13,491)	(575,193)
Balance at 31 December 2012	668,552	412,456	62,512	82,456	108,857	1,334,833

Note 11. Non-current assets - intangibles

	2012 \$	2011 \$
Goodwill - at cost	170,000	170,000
	170,000	170,000
Software - at cost	456,155	334,589
Less: Accumulated amortisation	(343,868)	(296,399)
	112,287	38,190
Software - leased	418,731	418,731
Less: Accumulated amortisation	(418,731)	(418,731)
	-	-
	282,287	208,190

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Goodwill \$	Software \$	Total \$
Balance at 1 January 2012	170,000	38,190	208,190
Additions	-	121,566	121,566
Amortisation expense	-	(47,469)	(47,469)
Balance at 31 December 2012	170,000	112,287	282,287
	-	-	-

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 12. Non-current assets - other

	2012 \$	2011 \$
Unlisted shares - at cost	1,200	1,200

Note 13. Current liabilities - trade and other payables

	2012 \$	2011 \$
Trade payables	143,928	141,003
Other creditors and accruals	1,003,064	810,801
	1,146,992	951,804

Note 14. Current liabilities - borrowings

	2012 \$	2011 \$
Lease liability	-	15,529
Total secured liabilities		
The total secured current liabilities are as follows:		
Lease liability	-	15,529

Assets pledged as security

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, and revert to the lessor in the event of default.

Note 15. Current liabilities - employee benefits

	2012 \$	2011 \$
Employee benefits	366,988	327,108

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 16. Current liabilities - deferred income

	2012 \$	2011 \$
Deferred revenue	202,621	225,670

Note 17. Equity - retained surpluses

	2012 \$	2011 \$
Retained surpluses at the beginning of the financial year	5,273,054	6,194,151
Surplus/(deficit) after income tax expense for the year	10,699,932	(921,097)
Retained surpluses at the end of the financial year	15,972,986	5,273,054

Note 18. Members guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member or person who ceased to be a member in the year prior to the wind up is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the company.

The number of members at 31 December 2012 was 22,962 (2011: 5,370).

Note 19. Financial instruments

Market risk

Interest rate risk

The company is exposed to interest rate risk on its bank balances. If the interest rate moved by +/-100 basis points the surplus and equity would have been higher/lower by \$65,298. (2011: The company was not exposed to any significant interest rate risk).

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2012 \$	2011 \$
Aggregate compensation	925,342	907,271

Note 21. Contingent liabilities

The company had no contingent liabilities as at 31 December 2012 and 31 December 2011.

Note 22. Commitments

	2012 \$	2011 \$
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	165,783	229,855
One to five years	321,592	360,599
More than five years	320,498	405,090
	807,873	995,544

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012 (cont'd)

Note 22. Commitments (continued)

	2012 \$	2011 \$
Office equipment payable		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	15,529
Total commitment	-	15,529
Net commitment recognised as liabilities	-	15,529
Representing:		
Current liabilities	-	15,529

Operating lease commitments includes contracted amounts for various retail outlets, warehouses, offices and plant and equipment under non-cancellable operating leases expiring within 1 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Finance lease commitments includes contracted amounts for various plant and equipment with a written down value of \$nil (2011: \$1nil) under finance leases expiring within 1 year. Under the terms of the leases, the company has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

IN THE DIRECTORS' OPINION:

- › the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- › the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the financial year ended on that date; and
- › there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Richard Cornwell

Director



Alyse Behringer

Honorary Treasurer

25 March 2013
Sydney

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Arc @ UNSW LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Arc @ UNSW Limited ("the company"), which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 Corporations Act 2001 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

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Sydney NSW 2000

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Opinion

In our opinion, the financial report of Arc @ UNSW Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the period ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.



Moore Stephens Sydney
Chartered Accountants



Chris Chandran
Partner

Dated in Sydney this 25th day of March 2013



UNSW Student Life

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