



UNSW Student Life

ANNUAL REPORT

31 DECEMBER 2015



UNSW Student Life

THIS FINANCIAL REPORT COVERS

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

PRINCIPAL PLACE OF BUSINESS

Arc @ UNSW Limited
Arc Precinct
Level 2, Basser College
UNSW

ANNUAL REPORT PUBLISHED BY

Arc @ UNSW Limited

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Chief Executive Officer's Report

Brad Hannagan
Chief Executive Officer

2015 was a very strong year for Arc. As you will read further in this report, the organisation implemented many new student focussed initiatives in 2015.

Most pleasing was the organisation's capacity to implement these new initiatives while remaining very strong financially.

Despite an "accounting" loss of \$1.25M, removing non-cash items and factoring in the long-term receivable from UNSW, operational cash-flow for the year was a healthy \$542K (\$242K after factoring in capital investments). The increase in cash balances of 5% by year end demonstrates the organisation's capacity to continue to invest in student initiatives while ensuring the ongoing financial strength of the organisation.

Commercially 2015 was a challenging year with reduced revenues experienced in Food and Beverage and Graduation and Gift. These reduced revenues were mitigated with increased margins in both of these areas.

2016 and 2017 will be impacted by the temporary closure of the Roundhouse as this landmark building undergoes a major refurbishment. The reopening of a revitalised facility will positively impact both the student experience and the capacity for the organisation to grow revenues and profits from the facility.

Gender Equality

Notwithstanding even more rigorous criteria than 2014, Arc was once again very proud to be awarded the WGEA Employer of Choice for Gender Equality (EOCGE) citation in 2015.

The EOCGE award recognises outstanding organisational commitment to achieving gender equality in the workplace, particularly considering equal practices and opportunities. Arc is one of just 89 organisations nationally to be awarded the EOCGE in 2015.

Criteria for the citation covered leadership, learning and development, gender remuneration gaps, flexible working and other initiatives to support family responsibilities, employee consultation, preventing sex-based harassment and discrimination and targets for improving gender equality outcomes.

Equal opportunity is an essential part of Arc's strategy and people management. Arc has been successful in creating a workplace culture that is fair, flexible and equitable and is committed to ongoing improvements of our gender equality strategy and policies to ensure the organisation stays at the frontline of driving positive change and setting standards for inclusive workplaces.

Legal & Advocacy

In 2015, Legal and Advocacy introduced a new volunteer program, Tax Help; a free and confidential volunteer service which assists low income earners to complete and submit their tax returns online. Students are trained by the Australian Taxation Office (ATO) and must pass an accreditation test to become Tax Help volunteers. The service ran for 9 weeks from August to October, and 107 students were assisted.

2015 also saw the introduction of Arc's Crisis Accommodation service, provided to eligible students in need of immediate short-term accommodation and with a referral from an appropriate professional verifying the service will be suitable for them. Legal and Advocacy staff directly handle crisis accommodation applications, place the student in the accommodation and then explore options they may have to address personal circumstances which have led to their situation.

In one of the busiest years for the department, almost 1,100 separate student consultations were provided covering a very broad range of both legal and welfare/advocacy related issues as diverse as unpaid 'trial' work and underpayment of wages, neighborhood fencing disputes, malicious damage charges, authorship disputes in postgraduate research papers and negotiating with financial institutions under the financial hardship provisions.

Marketing & Communications

2015 was a year of development and innovation for the Marketing department, focusing on creating compelling and effective digital marketing strategies. The redevelopment of the Arc website began mid-year with an emphasis on user experience, creating a responsive site and aligning the visual identity to reflect Arc's strategic plan.

Leveraging the skills of the internal creative team, Marketing was able to produce demographically relevant designs for events, services and publications proactively seeking to engage members, drive traffic online and increase attendance at events. We saw significant growth to our social platforms, increasing our likes on the Arc Facebook page by 68% since 2014 and daily engaged users by 44%.

A highlight was the external recognition received for the campaign developed for Here to Hear volunteer service, winning a Campuslink Award for Most Innovative Initiative in Student Services.

Membership

Arc Membership enjoyed another successful year in terms of member satisfaction and number of members. In 2015, Arc Membership exceeded 22,422 members who identified no fee membership, participation in Clubs & Societies and discounted party tickets as driving factors to join.

Membership satisfaction was up 1.5% from last year to 95.9%. A vast majority of students have expressed a desire to rejoin. With this in mind, the 2016 Membership campaign ("Find your thing") ensured the highest O-Week sign-up rate ever, achieving 20,000 members by the end of Week 1.

Clubs and Volunteering.

2015 was a year of adaptation. The Clubs and Volunteering Office truly began to acclimatise to its location in the middle of campus alongside the Basser Steps; the addition of new staff to the department bolstered the ranks and allowed for more projects to be undertaken, with the Intern Program and several new initiatives either having launched or in the pipeline towards launch.

The number of affiliated Clubs rose to 294, with the number of Arc members joining Clubs rising 30% from 2014. Orgsync (an online Club management system) has been a great asset, particularly in relation to grant applications. The number of applications submitted rose by 20%, resulting in a 17% increase in the number of Clubs receiving financial support, and grant funds rising to \$175,988. Arc also transitioned to a single affiliation period for all existing Clubs, receiving all paperwork through Orgsync and streamlining the process for Clubs and staff alike.

The year saw great strides being made by many of our new programs, and all of our existing programs operating at capacity. Over 2,000 students signed up to participate in an Arc volunteer program, with almost 1,000 students investing enough time to qualify for the UNSW Australian Higher Education Graduation Statement (AHEGS) recognition.

In its second year of operation, Bike-ology serviced over 500 bikes while Justices of the Peace League had over 200 students and staff utilise the service throughout the year. Stationery Reuse reached over 2,000 usages for the first time and the Mob saw solid attendance at its events with over 280 student attendees. Shack Tutoring fell just short of breaking its previous record, tutoring 138 students over the course of the year and Mosaic Mentoring engaged almost 100 students across 4 local high schools.

The media and publications programs are also going from strength to strength; The Pod produced 13 episodes over the year, and was heard by over 1,700 students and vHub produced and uploaded a record 70 videos on YouTube. The Student Cookbook was as well received as ever, seeing resurgence in recipe submissions, while UNSweetened celebrated a significant milestone; receiving almost 250 student submissions.

Global Village expanded the number of trips offered and returned to India, the Philippines and Sri Lanka as well as raising crucial funds for Nepal following the devastating earthquake. Walama Muru's volunteers travelled to Gerrinja for the first time, repainting their community centre as well as snake-proofing, tidying their garden and painting floor games for the local children.

For the first time Artsweek brought in new, interactive activations for students, including a Laneway party, knitting activations and worked more closely with the Art & Design faculty to put on talks and lectures at the Paddington campus. The Volunteer Army team facilitated over 7,000 hours of volunteer work logged by students as well as raising over \$16,000 for various charities.

Yellow Shirts proficiently put on, once again, the best student run Orientation Week in Australia, helping incoming students truly enjoy the ride that is student life.

New programs for the department included Here to Hear, The Producers and Event Horizon. Each program had its own successes and challenges; however they were overall successful enough to be continued and expanded for the coming year.

Art & Design

2015 was an outstanding year for community spirit and student engagement at the Paddington campus. Since the campus redevelopment in 2013 and faculty rebranding in 2014, Art & Design (formerly COFA) has now embraced the campuses new energy to make the community its own, new and fresh.

Each Art & Design program increased exponentially with student engagement, the majority of programs doubled in applications submitted, applications approved and attendance for events.

- › Arc @ Art & Design funded 45 international, national and local student projects that benefitted over 100 students in total through group and individual applications.

- The Green House Residency program hosted 10 students in 2015, with many returning to Fowlers Gap because of their previous outstanding experience facilitated by Arc.
- Applications for Kudos Gallery increased by 20% with a visitor increase of over 2,200.
- The White Cube Program: Kudos Gallery's new volunteer program that gives students educational opportunities they wouldn't normally receive in the classroom. The program is unlike any other offered in Sydney and unique to Arc @ UNSW Art & Design.
- Kudos Install workshop series: All 4 workshop sessions were sold out and attendance was recorded at capacity for both 2D and 4D essential install skills.
- Arc @ UNSW Art & Design's annual parties: For session one the campus was lit up and filled with student works projection mapped to the architecture of the campus, performances and interactive installations. All the students enjoyed the after parties flamboyant Pink theme and eagerly anticipate what 2016 has to offer.
- Arc's Five Dollar feast: 2015 saw the birth of Arc's Five Dollar feast initiative that seeks to provide students with affordable food on a fortnightly basis.
- Brightside: Running for its third year in 2015, Brightside worked with Regenesys Youth at the Woolloomooloo PCYC to offer alternative art education workshops and mentorships with disengaged Sydney youth. In 2015 20 students were paired with the students of Regenesys to assist in developing their creative skills, confidence, and discovering new career pathways.
- Framework: Framework is Arc's online arts journal facilitating opportunities for students studying art history, theory, curating, or those who have an interest in arts writing. The work of 24 students across 4 issues was published in 2015.
- The Mural Project: The Mural Project for 2015 saw the emergence of three new murals on campus by Doug Schofield, Terrence Combos, Jobe Williams and a mural workshop by artist _ with the involvement of 8 students.
- The Kudos Award: In 2015 the annual Kudos Emerging Artist + Designer award hosted 41 finalists selected from over 200 Arc @ Art & Design entrants. The Major prize of \$1,500 was awarded to a BFA honors candidate with 10 other students taking home highly commended prizes which included the Girl Genius award for two outstanding female artists, with the goal of redressing gender imbalance in the arts, now in its second year.

Sport

Arc continued to manage Sport on behalf of UNSW in 2015 and saw positive participation and engagement growth throughout the year.

Social sport participant numbers on campus were impressive with the Village Green, the 3x3 basketball court and the nearby futsal court filled by participants in the twilight hours competing in Volleyball, Flag football, Touch football, Oztag, futsal and 3x3 basketball competitions. Flag Football has been a noteworthy addition to the social sport calendar, facilitated by the Gridiron Club it has attracted a solid amount of North American exchange students as participants. Recreational Courses continued and included TRX, How to Run, Parkour, boxercise and a variety of popular dance classes being offered.

The cornerstone sporting engagement on campus remains the Sport Clubs with 37 Sports Clubs currently affiliated. Sport Clubs are encouraged to offer a variety of engagement opportunities across all intensities of competition and ability, the positive results of which saw an increase in student membership across several clubs.

Festival of Sport saw student participants and spectators grow to roughly 2,800 per day. Over 650 students registered for the Festival of Sport social sport tournaments. The Beast Inflatable obstacle course was a big hit and the finals for fastest male and female on campus held on the last day of the Festival were hotly contested.

On the competitive front it was another big year for UNSW presence at Unigames with Arc again managing one of the largest Unigames teams in Australia. The UNSW team for the Eastern University Games held at Wagga Wagga was 340 strong. The Snow Sports team had over 50 student athletes at Thredbo and was led by Olympian and Thredbo ambassador Scott Kneller. The Australian University Games team had a record 529 student athletes participate at the Gold Coast. UNSW achieved a record amount of semi-final appearances but the mighty Men's Table Tennis Team was the only team that was able to convert their appearance into a Gold.

Venue and Events

The Roundhouse hosted over 280 student events, activities and activations, engaging more than 120,000 patrons and provided affiliated Clubs and Societies with more than 3,000 hours of free room hire. Several new events were added to the calendar including: Secret Cinema, Murder Mystery Night and The Amazing Race and Spring Festival and a sustainability and wellness event (which took place over two days on the Quadrangle). Existing themed events such as Session Parties and Big Trivia Nights remained popular. The SRC International Night Markets continued to increase in popularity so much that it outgrew the Arc Precinct and moved to the Main Walkway showcasing the many diverse groups of the student population.

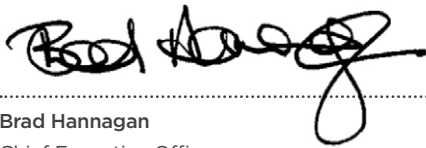
The Roundhouse hosted over 100 commercial events, some spanning multiple days, with over 70,000 patrons coming to the venue. International and local touring acts continued to visit the venue including Fall Out Boy, Allday and Bang Tang Boys to name a few. Client retention rate remained at 60% despite the ongoing deterioration of venue's condition; however existing clientele expressed their excitement for the impending renovations starting in 2016.

Sponsorship & Advertising

The department had a great result for 2015 with roughly a 45% increase in revenue year on year. This growth was seen through a focus on online advertising, particularly e-newsletters and with packaging clients across the main events of O Week, and Welcome Back Day while also selling clients the benefits of creating other activations outside of these key events. The team will continue these successful sales strategies to in 2016.

Information Technology (IT)

IT continues to play a major role as a service department for both students and staff. Some of the web and ecommerce presence achievements include; facilitation of Australian Careers Business College (ACBC) graduations using Arc's Grad Shop hire services platform, the launch of iOS and Android applications for both the Blitz and Tharunka magazines, Air Module rollout for Connx (HR system) which assists with automatic integration of casual employee timesheets into payroll, as well as preparing and working towards strategies for Arc's Business continuity plan. Infrastructure wise, 30 servers were upgraded from aging windows 2003 to windows 2008/2012, rollout of new Lenovo desktops replacing Dell PCs and completed 1,546 service request recorded by users. 2016 will be equally busy as the team will focus on working towards converting infrastructure as a service in a cloud based platform.



Brad Hannagan
Chief Executive Officer



Chair's report

Tom Morrison
Chair

2015 has been a year of reform and success for Arc. The approval of a new strategic plan has seen the enabling of many challenging yet vital improvements in the student facing aspects of our organisation. The particulars of our broader operational and strategic success are outlined in the Chief Executive Officer's report, however I will detail some of the key student facing and student driven achievements for you here.

Updated Strategic Plan

In January the Board approved a new strategic plan which sees a refinement of the organisation's vision, mission and objectives from 2016 to 2018. Arc's mission remains to create the best student experience and the Board is confident that our goals and values represent the best possible trajectory in ensuring a superlative university life experience for each member and UNSW student.

Board Diversity

The Board has been cognizant for many years that in order to best lead our organisation for the benefit of the members, the Board itself must be reflective of the membership. Countless examples in governance literature indicate benefits to performance and organisational culture directly linked to gender diversity within the governing body.

The Board's amendments to the Constitution of Arc, recommended at the conclusion of 2015, were approved by a general meeting of members. These changes result in the certainty of at least half the elected student directors each year being women. The organisation is eagerly looking forward to the positive impact of these changes when the next round of students join the board.

Tharunka

The governance behind UNSW's student newspaper Tharunka was adjusted to deliver greater alignment with Arc's strategy and to properly enable success and development of the editorial team year on year. The editorial team, previously with a flat structure, now sees an Editor in Chief lead a team of sub-editors, designers and writers with a significantly increased budget and organisational support. Initial publications suggest the change will enable growth and development of Tharunka significantly in the years to come.

The Student Development Committee

Whilst always having a strong focus on clubs, the Student Development Committee (SDC) this year has received additional support to consider issues relating student volunteer programs, leadership development programs, cultural and artistic programs as well as other relevant student events. Governance changes have allowed the SDC to decrease time spent on club management and increase the focus on student strategy. The introduction of student directors onto this committee with two year terms will allow for continuity and knowledge retention not previously available. The Board has confidence that members have already and will continue to feel the benefits of these changes.

CEO Contract

The Board has approved an extension to our Chief Executive Officer's contract with Arc. This decision reflects both the CEO's strong talent in guiding the organisation and also the value that the Board places in his ability to effectively advocate for students. The Board is exceptionally happy that the CEO has agreed to continue his service and looks forward to his effective delivery on the new strategic plan.

Student Representation

2015 has been the most successful year in recent memory in terms of student representation. Lobbying efforts of student leaders, and especially Student Representative Council President Billy Bruffey, have lead to the introduction of a new 24/7 study space in the library, the first of its kind at UNSW. Numerous water bubblers and bottle refill

stations have also been installed throughout campus and cobranded with UNSW Arc and Student Representative Council (SRC) insignia.

Plans for the UNSW Health Service to introduce a fee per service, similar in design to the Abbott Government's "GP co-payment" were cancelled after strong student representation. Similarly, the option for the University to introduce a "marginal pass" grade for academic marks from 50 to 55 was also canceled due to student input.

The SRC hosted the 2015 National Education Conference in June, with 281 registered attendees. This conference strengthened the relationship of the SRC with key UNSW stakeholders and leaders in the broader higher education sphere. Advocacy continues regarding the placement of a Bicycle Hub for students to park and store bikes, as well as provide showers, lockers and repair tools.

The Postgraduate Council continues to mature as a developed student representation body, having already hosted numerous events such as the Scavenger Hunt, Thesis Slam and Speed Friending to enhance its ability to connect with and advocate for the postgraduate student cohort.

Final words

It would be remiss of me to at this time not thank my fellow directors for their support and service during my term as Chair of the Board. Arc is an extraordinary organisation with incredibly high standards of governance, often not found in companies with board's composed of individuals with significantly more experience. The opportunity to serve as the Chair of the Board is an incredible one, and I thank every member and director who has supported me.

I do now and will always encourage members to contact me with questions regarding this report, or the future of their student organization.

All the best,



.....
Tom Morrison

Chair of the Board

Board of Directors

DIRECTORS AS AT 31 DECEMBER 2015



Brad Hannagan
Chief Executive Officer
Director
Company Secretary



Tom Morrison
Chair of the Board
Student Director



Amanda Young
Alumni Director



Kynan Newsman
Alumni Director



Melissa-Ann Gillies
Student Director



Mitchell Wilson
Student Director



Steven Tropoulos
University Director



Roanize Kruger
Student Director



Tina Zhou
Student Director



Brooke Griffin
UNSW Director



Bart Oswald
Student Director



Sophie Johnston
Student Representative Council
(SRC) President



Nina Teroganova
Postgraduate Council
(PGC) President



Ashna Basu
Student Development Committee
(SDC) Convenor

OUTGOING DIRECTORS



Benjamin Heenan
Student Director



Obaro Edefe
Student Director (Postgraduate)



Bronwen Turner
University Director



William Bruffey
Student Representative Council
(SRC) President



Alex Patton
Postgraduate Council
(PGC) President



Noel Kwon
Student Development Committee
(SDC) Convenor

Directors' report

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2015.

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 |
| Tom Morrison |
| Amanda Young |
| Kynan Newswan |
| Melissa-Ann Gillies |
| Mitchell Wilson |
| Steven Tropoulos |
| Roanize Kruger Elected 15 June 2015 |
| Tina Zhou Elected 15 June 2015 |
| Brooke Griffin Appointed 1 September 2015 |
| Bart Oswald Appointed 1 December 2015 |
| Sophie Johnston Elected 1 December 2015 |
| Nina Teroganova Elected 1 December 2015 |
| Ashna Basu Appointed 14 December 2015 |
| Benjamin Heenan Resigned 15 June 2015* |
| Obaro Edafe Resigned 30 August 2015 |
| Bronwen Turner Resigned 30 August 2015 |
| William Bruffey Resigned 1 December 2015* |
| Alex Patton Resigned 1 December 2015* |
| Noel Kwon Resigned 1 December 2015* |

* 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.

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.

Key to achieving the company's objectives is the continuation of a strong and mutually beneficial relationship with the UNSW, resulting in an ongoing funding agreement and the executed formal partnership agreement.

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, Whitehouse;
- › **Publications** - Blitz, Tharunka, UNSWetened, International Cookbook, College Voice;
- › **Clubs and Societies Facilities** - Computer labs, rooms for hire, postgrad lounge;
- › **Arc UNSW Sports** - provision of the management of all sports clubs to increase participation rates and ensure all students have access to sporting events and facilities.

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, volunteer numbers have also been implemented.

| Name | Title | Qualifications & Experience | Special responsibilities |
|----------------------|---|--|--|
| Brad Hannagan | Director, Chief Executive Officer and Company Secretary | MMGT (Macq), AMP (Wharton, UPenn) Brad is the President and a Director of ACUMA Incorporated and the Deputy Chair of Lifeline Macarthur. | None |
| Tom Morrison | Student Director | GAICD Tom is a Bachelor of Medical Studies/Doctor of Medicine Student. He has previously served as the Treasurer and a Director of the Australian Medical Students Association, a member of the UNSW Academic Board, President of the Inter-Residential Council (2013) and President of Philip Baxter College (2013-2014). | Chair of Membership & Services Subcommittee (June 2014 - May 2015), Chair of the Board (Appointed June 2015). |

| Name | Title | Qualifications & Experience | Special responsibilities |
|--|------------------|--|--|
| Amanda Young | Alumni Director | <p>B Soc Work</p> <p>Amanda is a graduate of UNSW and has 15 years' experience in the fields of child protection and Government service provision. She is a practitioner, manager, director and has managed areas with more than 1000 staff and budgets of over \$1B. She currently holds the positions of District Director Sydney, NSW Department of Family and Community Services.</p> | None |
| Kynan Newsan | Alumni Director | <p>BComm (Hons I) (UNSW), MBA (Exec) (AGSM UNSW)</p> <p>Kynan has over 10 years' HR experience mostly in remuneration as well as a further 2 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.</p> | None |
| Melissa-Ann Gillies | Student Director | <p>Melissa-Ann has recently completed her Bachelors of Arts/Law. She has been a Resident Fellow at UNSW Fig Tree Hall (2014-2015), Yellow Shirt Volunteer (2014), one of the Vice Presidents of the UNSW Law Society (2014) and the UN Soc Arc Delegate (2014). In 2015, she was awarded the McKinsey & Company Women in Leadership Scholarship.</p> | Chair of Nominations and Remuneration Subcommittee (June 2014 - current). |
| Mitchell Wilson | Student Director | <p>Mitchell is a Bachelor of Laws and Arts Student. He has been Secretary of Philip Baxter College in 2014 and President in 2015. Mitchell also served as the Treasurer of the Inter-Residential Council in 2015.</p> | Honorary Treasurer (June 2014 - May 2015), Chair of Audit & Risk Subcommittee (appointed June 2015). |
| Steven Tropoulos | UNSW Director | <p>B.Comm (Accounting, Finance, Commercial Law) USyd, CA (Graduate Diploma of Chartered Accounting), F.Fin (Graduate Diploma in Applied Finance and Investment)</p> <p>Steven is Manager of Property Services and is responsible for the strategic and operational management of UNSW's retail, commercial and residential property investment portfolio. He has over 18 years' experience across public and private sectors in the areas of accounting, financial analysis, portfolio management and property development.</p> | None |
| Roanize Kruger (elected 15 June 2015) | Student Director | <p>Roanize is a Bachelor of Fine Arts/Law student. She has been an illustrator for Arc's Literary Journal UNSweetened and for the Law Society's Voir Dire Publication. Roanize is also a UNSW Student Ambassador.</p> | Honorary Treasurer (appointed June 2015) |
| Tina Zhou (elected 15 June 2015) | Student Director | <p>Tina is Bachelor of Laws and Arts Student. In 2015, she was a member of the Student Representative Council and elected as an undergraduate member on the UNSW Law Faculty Board and UNSW Academic Board. She is also involved with the Law Society, Capital W Women's Business Society, Arts Society and UN Society.</p> | Chair of Student Strategy Subcommittee (appointed June 2015) |
| Brooke Griffin (appointed 1 September 2015) | UNSW Director | <p>BA (Sports Management)</p> <p>As a member of UNSW staff for 11 years Brooke has held numerous central and Faculty positions and is currently the General Manager, for the UNSW Business School. 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 UNSW Business School to determine the provision and standards of all shared services.</p> | None |

| Name | Title | Qualifications & Experience | Special responsibilities |
|--|--|---|--------------------------|
| Bart Oswald (appointed 1 December 2015) | Student Director | BVA (Hons) USyd Bart is a Juris Doctor Student. He has been Secretary of the UNSW Law Society (2014) and has been a Board Director for the St John's College Foundation within the University of Sydney since 2014. He was previously the Dean of Students at St John's College (2014-2015) and is now an Associate with Teach for Australia. | None |
| Sophie Johnston (elected 1 December 2015) | Student Representative Council President | Sophie is the SRC President and on the National Executive of the National Union of Students (NUS). In 2015 she was the SRC General Secretary and the Undergraduate Representative on the UNSW Academic Board Programs Committee. | None |
| Nina Teroganova (elected 1 December 2015) | Postgraduate Council President | BMedSci (Hons), PhD (Psychiatry) candidate Nina is a PhD student in the School of Psychiatry. She is currently the President of the Postgraduate Council (PGC). In 2015, she was a PGC Councillor, President of the Neuroscience Society and student representative on the University Research Committee. | None |
| Ashna Basu (appointed 14 December 2015) | Student Development Committee Convenor | Ashna is a Bachelor of Medical Studies/Doctor of Medicine Student, and the current Student Development Committee Convenor. She held positions on the Student Representative Council and Student Development Committee in 2015. | None |

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2015, and the number of meetings attended by each director were:

FULL BOARD

| | Attended | Held |
|---------------------|----------|------|
| Brad Hannagan | 9 | 9 |
| Tom Morrison | 9 | 9 |
| Amanda Young | 6 | 9 |
| Kynan Newswan | 9 | 9 |
| Melissa-Ann Gillies | 8 | 9 |
| Mitchell Wilson | 9 | 9 |
| Steven Tropoulos | 8 | 9 |
| Roanize Kruger * | 7 | 7 |
| Tina Zhou * | 7 | 7 |
| Brooke Griffin * | 1 | 4 |
| Bart Oswald * | 2 | 2 |
| Sophie Johnston * | 2 | 2 |
| Nina Teroganova * | 2 | 2 |
| Ashna Basu * | - | - |
| Benjamin Heenan ** | 4 | 4 |
| Obaro Edafe ** | 3 | 5 |
| Bronwen Turner ** | 5 | 5 |
| Alex Patton ** | 6 | 7 |
| William Bruffey ** | 6 | 7 |
| Noel Kwon ** | 3 | 6 |

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Proposed Roundhouse Refurbishment

UNSW Council approved a refurbishment project for the UNSW Roundhouse in February 2016. The refurbishment is anticipated to commence in July 2016 and will result in the Roundhouse being non-operational for a period of 12-18 months. Arc and UNSW are in the process of finalising alternative arrangements to ensure the core activities of Arc, currently held in the Roundhouse, continue on campus during the closure of the building.

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

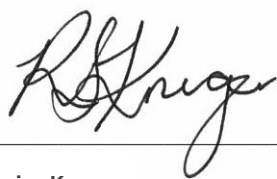
* Appointed during the year

** Resigned/concluded their term during the year

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 \$22,422, based on 22,422 current ordinary members.



Roanize Kruger
Honorary Treasurer

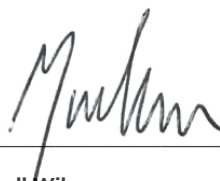
14 April 2016
Sydney

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is set out on the following page.

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

On behalf of the directors



Mitchell Wilson
Director



Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

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Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

**Auditor's Independence Declaration
to the Directors of Arc @ UNSW Limited**

I declare that to the best of my knowledge and belief, during the year ended 31 December 2015 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.

Pitcher Partners Sydney

Chris Chandran
Partner

Dated in Sydney this 14th day of April 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

| | Note | 2015 \$ | 2014 \$ |
|--|-----------|--------------------|--------------------|
| Revenue | 4 | 10,763,998 | 10,831,344 |
| Expenses | | | |
| Food, beverage and other purchases | | (1,843,471) | (2,119,476) |
| Sports operation expense | | (852,589) | (565,024) |
| Employee benefits expense | | (5,784,576) | (5,752,312) |
| Depreciation and amortisation expense | 5 | (399,898) | (415,510) |
| Impairment of assets | | - | (100,000) |
| Marketing | | (442,646) | (281,887) |
| Membership | | (3,777) | (6,318) |
| Administration | | (631,219) | (322,204) |
| Utilities | | (150,900) | (177,372) |
| Security | | (280,647) | (251,004) |
| Rental, hire, finance lease | | (326,134) | (367,868) |
| Other expenses | | (1,303,061) | (1,494,459) |
| Deficit before income tax expense | | (1,254,920) | (1,022,090) |
| Income tax expense | | | |
| Deficit after income tax expense for the year attributable to the members of Arc @ UNSW Limited | 16 | (1,254,920) | (1,022,090) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year attributable to the members of Arc @ UNSW Limited | | (1,254,920) | (1,022,090) |

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|----------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 5,587,446 | 5,344,863 |
| Trade and other receivables | 7 | 1,425,595 | 2,062,482 |
| Inventories | 8 | 352,690 | 328,946 |
| Total current assets | | 7,365,731 | 7,736,291 |
| Non-current assets | | | |
| Trade and other receivables | 9 | 4,466,666 | 5,355,555 |
| Property, plant and equipment | 10 | 1,301,048 | 1,464,362 |
| Intangibles | 11 | 140,870 | 101,515 |
| Other | 12 | 1,200 | 1,200 |
| Total non-current assets | | 5,909,784 | 6,922,632 |
| Total assets | | 13,275,515 | 14,658,923 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 479,668 | 376,002 |
| Employee benefits | 14 | 332,248 | 377,494 |
| Deferred revenue | 15 | 61,525 | 248,433 |
| Total current liabilities | | 873,441 | 1,001,929 |
| Total liabilities | | 873,441 | 1,001,929 |
| Net assets | | 12,402,074 | 13,656,994 |
| Equity | | | |
| Retained surpluses | 16 | 12,402,074 | 13,656,994 |
| Total equity | | 12,402,074 | 13,656,994 |

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

| | Retained surpluses \$ | Total equity \$ |
|---|--------------------------------------|--------------------------------|
| Balance at 1 January 2014 | 14,679,084 | 14,679,084 |
| Deficit after income tax expense for the year | (1,022,090) | (1,022,090) |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | (1,022,090) | (1,022,090) |
| Balance at 31 December 2014 | 13,656,994 | 13,656,994 |

| | Retained surpluses \$ | Total equity \$ |
|---|--------------------------------------|--------------------------------|
| Balance at 1 January 2015 | 13,656,994 | 13,656,994 |
| Deficit after income tax expense for the year | (1,254,920) | (1,254,920) |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | (1,254,920) | (1,254,920) |
| Balance at 31 December 2015 | 12,402,074 | 12,402,074 |

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

| | Note | 2015 \$ | 2014 \$ |
|---|----------|------------------|------------------|
| Cash flows from operating activities | | | |
| Receipts from sale of goods and other | | 9,735,881 | 8,442,270 |
| Receipts from membership | | 5,808 | 4,505 |
| Receipts from UNSW service agreement | | 3,371,846 | 3,286,400 |
| Payments to suppliers and employees | | (12,702,047) | (12,297,851) |
| Interest received | | 131,838 | 204,155 |
| Net cash from/(used in) operating activities | | 543,326 | (360,521) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (212,057) | (673,149) |
| Payments for intangibles | | (88,686) | (41,981) |
| Net cash used in investing activities | | (300,743) | (715,130) |
| Cash flows from financing activities | | | |
| Net cash from financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | 242,583 | (1,075,651) |
| Cash and cash equivalents at the beginning of the financial year | | 5,344,863 | 6,420,514 |
| Cash and cash equivalents at the end of the financial year | 6 | 5,587,446 | 5,344,863 |

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

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTE 1. GENERAL INFORMATION

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 March 2016. The directors have the power to amend and reissue the financial statements.

NOTE 2. 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.

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 AASB, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, and comply with other requirements of the law.

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 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 3.

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.

Service funding agreement

The company receives funding from UNSW under a service funding agreement. The revenue is recognised when the services are 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.

Membership

Membership income is recognised on an accruals basis. Deferred revenue represents the unearned portion of membership fees paid in advance.

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.

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 the entity's 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 current when: it is expected to be settled in the entity's 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.

Deferred tax assets and liabilities are always classified as non-current.

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 of 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. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are 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.

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.

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 fulfillment 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 the 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. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life 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 intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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 between 3 to 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 of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are 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.

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 interest. 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. The carrying values of financial assets and financial liabilities presented represent a reasonable approximation of fair value unless otherwise stated.

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 3. 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 (refer to the respective notes) 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

NOTE 4. REVENUE

| | 2015 \$ | 2014 \$ |
|--------------------------------|-------------------|-------------------|
| Sales revenue | | |
| UNSW service agreement funding | 3,371,846 | 3,286,400 |
| Sale of goods | 3,653,121 | 3,715,992 |
| Rental, venue hire, amusements | 997,990 | 986,052 |
| Sponsorships | 519,552 | 371,500 |
| Membership | 5,808 | 4,505 |
| Academic dress hire | 395,647 | 438,944 |
| Sports game and booking income | 700,355 | 378,196 |
| | 9,644,319 | 9,181,589 |
| Other revenue | | |
| Management fees | 552,000 | 494,273 |
| Interest | 131,838 | 204,155 |
| Other revenue | 435,841 | 951,327 |
| | 1,119,679 | 1,649,755 |
| Revenue | 10,763,998 | 10,831,344 |

NOTE 5. EXPENSES

| | 2015 \$ | 2014 \$ |
|---|----------------|----------------|
| Deficit before income tax includes the following specific expenses: | | |
| Depreciation and amortisation | | |
| Leasehold improvements | 90,950 | 93,548 |
| Furniture and fittings | 156,545 | 145,223 |
| Motor vehicles | 44,599 | 43,022 |
| Computer equipment | 44,620 | 61,957 |
| Academic dress | 13,853 | 13,960 |
| Software | 49,331 | 57,800 |
| | 399,898 | 415,510 |

Rental expense relating to operating leases

| | | |
|--|----------------|----------------|
| Total rental expense relating to operating leases | 171,221 | 181,353 |
|--|----------------|----------------|

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

NOTE 6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

| | 2015 \$ | 2014 \$ |
|-----------------|------------------|------------------|
| Cash on hand | 9,872 | 763 |
| Cash at bank | 1,109,846 | 755,857 |
| Cash on deposit | 4,467,728 | 4,588,243 |
| | 5,587,446 | 5,344,863 |

NOTE 7. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

| | 2015 \$ | 2014 \$ |
|---|------------------|------------------|
| Trade receivables | 324,036 | 314,648 |
| Less: Provision for impairment of receivables | - | (1,373) |
| | 324,036 | 313,275 |
| Other receivables | 4,894 | (3,248) |
| Receivable from UNSW, net present value | 866,667 | 1,535,331 |
| Prepayments | 229,998 | 217,124 |
| | 1,425,595 | 2,062,482 |

The weighted average discount rate used to determine the present value for the receivable from UNSW was 2.00% (2014: 2.50%).

NOTE 8. CURRENT ASSETS - INVENTORIES

| | 2015 \$ | 2014 \$ |
|--------------------------|----------------|----------------|
| Finished goods - at cost | 352,690 | 328,946 |

NOTE 9. NON-CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

| | 2015 \$ | 2014 \$ |
|---|------------------|------------------|
| Trade receivable - long term | 137,333 | 208,000 |
| Receivable from UNSW, net present value | 4,329,333 | 5,147,555 |
| | 4,466,666 | 5,355,555 |

The weighted average discount rate used to determine the present value for the receivable from UNSW was 2.00% (2014: 2.99%).

NOTE 10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

| | 2015 \$ | 2014 \$ |
|----------------------------------|------------------|------------------|
| Leasehold improvements - at cost | 909,498 | 909,498 |
| Less: Accumulated depreciation | (345,698) | (254,748) |
| | 563,800 | 654,750 |
| Furniture and fittings - at cost | 3,806,232 | 3,651,567 |
| Less: Accumulated depreciation | (3,319,520) | (3,163,606) |
| | 486,712 | 487,961 |
| Motor vehicles - at cost | 242,174 | 254,307 |
| Less: Accumulated depreciation | (102,025) | (84,289) |
| | 140,149 | 170,018 |
| Computer equipment - at cost | 922,592 | 905,365 |
| Less: Accumulated depreciation | (869,046) | (824,426) |
| | 53,546 | 80,939 |
| Computer equipment - leased | 253,734 | 253,734 |
| Less: Accumulated depreciation | (253,734) | (253,734) |
| | - | - |
| Academic dress - at cost | 139,727 | 139,727 |
| Less: Accumulated depreciation | (82,886) | (69,033) |
| | 56,841 | 70,694 |
| | 1,301,048 | 1,464,362 |

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 dress \$ | Total \$ |
|------------------------------------|---------------------------------|---------------------------------|-------------------------|-----------------------------|-------------------------|------------------|
| Balance at 1 January 2015 | 654,750 | 487,961 | 170,018 | 80,939 | 70,694 | 1,464,362 |
| Additions | - | 156,596 | 38,234 | 17,227 | - | 212,057 |
| Disposals | - | (1,300) | (23,504) | - | - | (24,804) |
| Depreciation expense | (90,950) | (156,545) | (44,599) | (44,620) | (13,853) | (350,567) |
| Balance at 31 December 2015 | 563,800 | 486,712 | 140,149 | 53,546 | 56,841 | 1,301,048 |

NOTE 11. NON-CURRENT ASSETS - INTANGIBLES

| | 2015 \$ | 2014 \$ |
|--------------------------------|----------------|----------------|
| Software - at cost | 680,759 | 592,073 |
| Less: Accumulated amortisation | (539,889) | (490,558) |
| | 140,870 | 101,515 |

Reconciliations

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

| | 2015 \$ | 2014 \$ |
|------------------------------------|----------------|----------------|
| Balance at 1 January 2015 | 101,515 | 101,515 |
| Additions | 88,686 | 88,686 |
| Amortisation expense | (49,331) | (49,331) |
| Balance at 31 December 2015 | 140,870 | 140,870 |

NOTE 12. NON-CURRENT ASSETS - OTHER

| | 2015 \$ | 2014 \$ |
|----------------------------------|--------------|--------------|
| Unlisted shares - at cost | 1,200 | 1,200 |

NOTE 13. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

| | 2015 \$ | 2014 \$ |
|------------------------------|----------------|----------------|
| Trade payables | 76,770 | 105,725 |
| Other creditors and accruals | 402,898 | 270,277 |
| | 479,668 | 376,002 |

NOTE 14. CURRENT LIABILITIES - EMPLOYEE BENEFITS

| | 2015 \$ | 2014 \$ |
|--------------------------|----------------|----------------|
| Employee benefits | 332,248 | 377,494 |

NOTE 15. CURRENT LIABILITIES - DEFERRED REVENUE

| | 2015 \$ | 2014 \$ |
|-------------------------|---------------|----------------|
| Deferred revenue | 61,525 | 248,433 |

NOTE 16. EQUITY - RETAINED SURPLUSES

| | 2015 \$ | 2014 \$ |
|--|-------------------|-------------------|
| Retained surpluses at the beginning of the financial year | 13,656,994 | 14,679,084 |
| Deficit after income tax expense for the year | (1,254,920) | (1,022,090) |
| Retained surpluses at the end of the financial year | 12,402,074 | 13,656,994 |

NOTE 17. 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 2015 was 24,422 (2014: 28,674).

NOTE 18. 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

| | 2015 \$ | 2014 \$ |
|-------------------------------|----------------|----------------|
| Aggregate compensation | 826,372 | 670,847 |

NOTE 19. CONTINGENT LIABILITIES

The company has given bank guarantees to various landlords as follows:

| | 2015 \$ | 2014 \$ |
|------------------------------------|---------------|---------------|
| Bank guarantee - Corner House Café | 12,833 | 15,612 |
| Bank guarantee - White House | 27,500 | 27,500 |
| | 40,333 | 43,112 |

NOTE 20. COMMITMENTS

| | 2015 \$ | 2014 \$ |
|--|----------------|------------------|
| Lease commitments - operating | | |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 195,151 | 204,958 |
| One to five years | 592,722 | 746,120 |
| More than five years | 44,714 | 135,482 |
| | 832,587 | 1,086,560 |

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

NOTE 21. RELATED PARTY TRANSACTIONS**Key management personnel**

Disclosures relating to key management personnel are set out in note 18.

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 22. EVENTS AFTER THE REPORTING PERIOD**Proposed Roundhouse Refurbishment**

UNSW Council approved a refurbishment project for the UNSW Roundhouse in February 2016. The refurbishment is anticipated to commence in July 2016 and will result in the Roundhouse being non-operational for a period of 12-18 months. Arc and UNSW are in the process of finalising alternative arrangements to ensure the core activities of Arc, currently held in the Roundhouse, continue on campus during the closure of the building.

No other matter or circumstance has arisen since 31 December 2015 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

31 December 2015

In the directors' opinion:

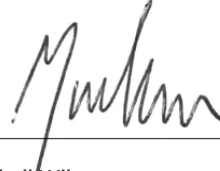
- › The attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and Charitable Fundraising Act 1991, including compliance with accounting standards;
- › The attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2015 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 60.15 of the Australian Charities and Not-for-profits Commission Regulations 2013.

On behalf of the directors



Roanize Kruger
Honorary Treasurer



Mitchell Wilson
Director

14 April 2016
Sydney

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 2015, 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 responsible entities 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 financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The responsible entities' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation 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 *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion

In our opinion, the financial report of Arc @ UNSW Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

Pitcher Partners Sydney



Chris Chandran
Partner

Dated in Sydney this 14th day of April 2016

arc.unsw.edu.au



UNSW Student Life

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