

# Annual Report





**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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One of the biggest successes for the year was the signing of the long-term funding agreement with UNSW in November. This guarantees the future funding of Arc from UNSW through the end of 2025.



## Chief Executive Officer's Report

**Brad Hannagan**  
Chief Executive Officer

2017 was a challenging but positive year for the organisation. When compiling the 2017 budget, the Board made the clear decision to leverage the health of the Balance Sheet and to continue investing in our "students first" strategy despite the financial challenges that came from losing the Roundhouse for another year due to refurbishment. This resulted in budgeting for a cash flow deficit of -\$460K. The end result for the organisation, after the removal of extraordinary and non-cash items, was a cash flow figure of -\$164K which was an extraordinarily positive result given the circumstances.

One of the biggest successes for the year was the signing of the long-term funding agreement with UNSW in November. This guarantees the future funding of Arc from UNSW through the end of 2025. This new funding agreement required the write-down of the \$3.55M long-term receivable from UNSW on the Balance Sheet as this amount is now reclassified and guaranteed in the revised funding agreement.

To clarify the financial performance to operating cash-flow please see below:

2017 Financial Year performance	\$ - (4,965,185)
Add back Depreciation	\$356,330
Add back Long-Term Receivable Write-off	\$3,555,545
Add back cash received from current agreement	\$888,889
<b>Net operation cash-flow</b>	<b>\$- (164,421)</b>

Irrespective of the above, by year end, there is a difference of approximately \$500K to the negative, in cash at hand compared to year end 2016. The difference can be explained by our investment activities in the Roundhouse as we prepared for its opening in O-Week 2018. We expect cash at hand to improve again once our financing activities are finalised in April of 2018 and the sale and lease back of our plant and equipment is completed.

### Diversity and Inclusion

Equal opportunity, diversity and inclusion constitute 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 diversity strategy and policies to ensure the organisation stays at the frontline of driving positive change and setting standards for inclusive workplaces.

For the fourth year running, despite the increasingly rigorous criteria, Arc has been awarded the Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation. This citation is designed to encourage, recognise and promote an active commitment to achieving gender equality in Australian workplaces. Arc is one of only 120 organisations nationally to receive the citation in 2017. Criteria for the citation includes leadership, learning and development, gender remuneration gaps, flexible working and other initiatives to support family responsibilities and targets for improving gender equality outcomes.

In 2017, we recognised that education and visibility are key to maintaining our inclusive culture and developed a dedicated Diversity and Inclusion training module for all Student Volunteer Programs. This new initiative requires each Coordinator to be trained during their induction and to complete similar training with all the volunteers involved in their program. The training aims to increase their awareness of inclusive behaviours, the effect of microaggressions and how to make their programs as open and inclusive as possible.

### Clubs and Volunteering

The number of affiliated Clubs continued at approximately 300, with new affiliated Clubs replacing Clubs that have discontinued. Successful Clubs Grant applications rose by 5%, with 223 of the Clubs receiving funding support during the year. The online Clubs Handbook received a significant overhaul, allowing Club Executives to more easily find the information they need at any time on a wider variety of topics. The Clubs Mashup initiative (which encourages and provides support for Clubs in running collaborative events on campus that engage the general student population) saw a variety of new Club-instigated collaborative events on campus, showcasing Clubs diversity and innovation.

2017 saw the successful launch of one of Arc's newest volunteer program eReuse, which refurbished over 50 computers and then distributing them to community centres and people in need. Arc's Philanthropy program Phil' completed its second year, successfully raising over \$75,000 for the Sydney Children's Hospital's Child Life and Music Therapy Unit. Volunteer Army also raised over \$5,000 for numerous not-for profits and charities.

Arc's service-based volunteering programs continued to go from strength to strength; servicing almost 500 bikes, certifying 300 documents and recycling more than 30,000 units of stationery to over 3,500 students and staff. Cultural exchange and outreach programs have continued to consolidate the strong relationships with indigenous and international communities, with Walama Muru returning to Gilgandra and Passports with Purpose (formerly Global Village) continuing to send cohorts to assist in crucial activities in Nepal, Cambodia and Vietnam.

Yellow Shirts once again delivered an exceptional O-Week over 5 days, maintaining its status as one of the biggest and best orientation programs in the country through the provision of a truly explorative experience for incoming students.

## Membership

In 2017, Arc Membership continued to deepen its engagement with the students of UNSW. Guided by the 'Your Time' campaign across print, digital and social, 28,000 students became members, proportionately distributed across postgraduate/undergraduate, local/international, Main Campus/ satellites and faculty-based demographics. We also participated in UNSW Info Day and UNSW Open Day as opportunities to expose Arc to future students.

The results of the Student Survey were extremely pleasing with 95% of respondents satisfied with their Membership and over 99% of eligible students saying they would re-join Arc in 2018. These results are particularly pleasing with the closure of Roundhouse and Basser Steps which radically altered the interface that Arc has with students.

## Sport

2017 saw the launch of Arc Sport's first ever female focussed sport campaign, SHE CAN. Comprising 40 pop up events and 39 beginner friendly, female only sport and activity sessions, SHE CAN has focussed on reducing the boundaries for engagement and inspiring every female identifying person on campus to get active. The uptake in the first year was over 900 participants with a huge online interaction with our SHE CAN ambassador stories and videos.

Festival of Sport, our primary event of semester 1, delivered our biggest and most diverse offering yet, with over 3,000 students signing up to take part in the event. The 3 day festival featured social sport, 22 beginner sessions, inflatable obstacle courses, Silent Yoga Discos, rock climbing and much more.

Arc Sport's 36 sports clubs continue to go from strength to strength, catering for over 5,900 participants of which 3,215 are students. A stronger administrative framework was introduced supported by monthly meetings, workshops and templates.

Social Sport and Dance courses continued to grow with over 800 participants taking part in one of 8 social sports or one of 4 dance genres offered. Social Sport and Dance courses continue to break down barriers and provide a safe and inclusive place for participants to be active, have fun and make friends.

2017 saw a successful campaign for Team UNSW at Australian University Sport (AUS) events with consistent results and participation across all three major events. Eastern University Games saw UNSW place 3rd overall taking the top spot in Men's Basketball, Women's Volleyball and Men's Volleyball. Team UNSW are now back to back champions of The Snow University Games taking out all the major awards available (Overall university champions, Overall men's team Champions, Overall women's team champions, and the Overall Cross-Country Champions) and cleaning up on the medal tally winning more than half of the available Gold medals at the event. At the Australian University Games, Team UNSW competed out of their skin to place 5th overall out of 42 competing institutions, which is the highest placing by a UNSW team ever at this event. Taking out overall Champions in Men's Basketball, Men's Judo, Men's T20 Cricket, Women's Taekwondo and Men's Ultimate Frisbee. These outstanding results have seen Team UNSW rank 3rd in the AUS Overall Champion University standings for the first time ever. This result is calculated based off university team results at all AUS events during 2017. The above accolades can be attributed to a strong team culture and the hard work of all student athletes and support personnel who make these results happen.

## Art & Design

Primarily, 2017 was a year of growth for Art & Design providing re-calibration and revitalisation for the programs on offer for our unique campus community. Overall, Arc Art & Design presented a suite of 22 now on-going programs and over 10 additional student led initiatives and social activities during semester one and semester two, effectively increasing A&D's offering by 44% (almost double!). Art & Design is proud to present three exhibition spaces (Kudos Gallery, AD Space and Three Foot Square), both on and off campus, for students that offer a different exhibition and program experience. One overhaul for Art & Design programming was a shift to every program becoming a vocational education experience for our students.

AD Space and Three Foot Square are the two new kids on the block for student led and student run gallery spaces at Art & Design. Three Foot Square presented the work of 20 individual students, led by student curatorial leader Carla Jamieson. AD Space is Art and Design's new gallery space managed by Arc in partnership with UNSW's Faculty of Art and Design. The gallery presented 23 exhibitions, 223 exhibiting artists, 7 exhibiting curators, and welcomed 1,536 visitors through its doors. AD Space has also afforded the opportunity of expansion to the Art & Design team welcoming one new gallery coordinator on a casual basis.

Brightside re-evaluated its position as a volunteer program, exploring ways that it could re-structure class content, mentor and workshop leader roles to offer a more cohesive quality experience. Brightside accomplished this by engaging with 10 industry professionals (current students and alumni) to lead art-making workshops for the students of Regenisi Youth, engaging with 12 current students as mentors throughout 2017, and partnering with local arts organisations and businesses for sponsorship and in kind

support. Brightside has created a learning experience not only for our high school students but also a richer community network for our aspiring art & Design professionals.

2017 was a big year for Kudos Gallery; the gallery welcomed 4,698 visitors, presented 21 exhibitions with a total of 111 artist's work, engaged 23 emerging writers, increased opening night attendance by 46.2%, engaged 42.9% more emerging curators, facilitated 34.7% more volunteers through the white cube program, hosted 8 public programs, and established two new initiatives - the emerging critics award and the early career curator award - making Art & Design programming accessible to the most diverse and largest range of students possible

## Legal & Advocacy

2017 saw a considerable rise in students presenting to the legal and advocacy staff dealing with psychological distress, which either manifest as a result of personal factors outside of university, or was an existing condition, in either case having a major impact on their study. This was observed broadly across the case work, from areas such as suspension and exclusion appeals, fee remission, research show cause cases, disciplinary matters, college issues and virtually every other area of campus life. The pressures which students are reporting to us mirror those identified widely in the media and which health professionals are regularly speaking about, and a substantial number of recent student cases have involved mental health issues being identified and addressed much later than is ideal. We have made it a key priority to work as closely as possible, and exchange resources and information with all key UNSW departments to ensure that sympathetic consideration is given to mental health issues as they variously impact students' work and activities on campus.

While the caseload is often quite predicable in its case types, 2017 was notable for UNSW students being caught up in the various cases reported in major media investigations involving large franchises found to be underpaying workers. Several students' cases against former employers are still being pursued, some matters involving tens of thousands of dollars in back pay.

The legal and advocacy staff, along with others from Arc, trained to become First Responders as part of the university's new sexual misconduct reporting strategy and procedure launched in 2017, which includes a formal reporting portal and dedicated staff to deal with these reports. Addressing issues around consent and appropriate conduct has been an ongoing concern in the casework and we look forward to supporting this initiative for the future.

2017 saw the continuation of Arc's successful volunteer Tax Help service, which is a valuable introduction for accounting and finance students, who develop confidence and work experience through direct interaction with clients. Staff have also been training in migration law and we will roll out a new advice service from 2018.

## Venue & Events

After a transient back end of 2016, The Roundhouse and venue team found a more permanent home within a temporary structure on the Village Green, christened the 'The Greenhouse'. The Greenhouse was immediately adopted by UNSW Students and far exceeded the revenue and attendance expectations in place for the facility.

The Greenhouse proved to be a successful home away from home for many Roundhouse events hosting over 400 club bookings and 60+ special events throughout the year. The space enabled the venue team to try an array of new events including Silent Yoga, a reformatted Zedtown, Acoustic Performer Competition and 'Dance Like' classes. The Venue team also supported the expansion and continuation of many cross-campus events including Springfest, Pop Up Pictures, Stress Less Week and Artsweek. Session Parties and larger events such as Band Comp, were held at the Coogee Bay Hotel with a strong attendance across the year.

The Whitehouse, celebrated its 6th year of operation continued to grow in 2017 from a revenue and operational perspective. Its daily specials and increase in participation for weekly activities demonstrated that students and staff continue to enjoy the venue's ambience and atmosphere.

## Marketing & Communications

2017 was a year of consolidation for our marketing department. Having pivoted to a digital first philosophy in 2016, this year saw a determined video first approach to all campaigns. This meant additional training for staff, and increased collaboration within the team to consistently produce high quality, eye-catching videos and animations. Key campaigns featuring video included She Can, Phil', The Greenhouse and Session Parties which all performed well across social media.

Marketing has also capitalised on industry trends towards integration with the incorporation of MailChimp and Eventbrite widgets on the high-performing Arc website. The website was refreshed at the conclusion of 2017 to be more direct and finished the year receiving over one million page views which was a pleasing new Arc record.

Arc brands continue to grow on Instagram, Facebook, Snapchat and LinkedIn. We have maintained a strong on-campus presence through information box signage and mesh signage that ensures Arc is well-branded and where student footfall is happening. The Arc email continues to perform above industry average open-rate with increasing utility of segmentation allowing us to deliver relevant programs to students most likely to participate.

### Sponsorship & Advertising

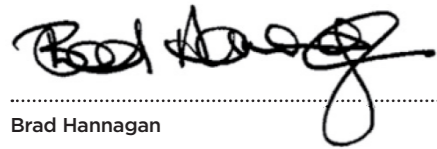
The Sponsorship & Advertising team made target and continued to see growth in 2017 with roughly a 14% increase in revenue year on year. This growth was primarily attributed to packaging clients across the key properties of the year including O-Week and Welcome Back Day, while also selling clients on the benefits of activations outside of these key events and utilising online opportunities across websites and e-newsletters.

The team is confident that by continuing the utilisation of these strategies and looking at new revenue opportunities on campus, similar growth will be seen in 2018.

### Information Technology

In 2017 the Information Technology (IT) department successfully completed their major project of migrating Arc's infrastructure to cloud services. Arc was previously operating with ageing hardware which was becoming increasingly difficult to maintain. With the introduction of cloud services, Arc is no longer required to store physical servers on site and many of the single points of failure, previously experienced, have been eliminated. IT continues to play a major role within the organisation as a service department for both students and staff. 2017 saw IT close 1,237 helpdesk jobs, roll out new Lenovo desktops (replacing ageing Dell PCs) and successfully uphold business continuity while training new staff.

In 2018 the team will continue to focus on providing quality customer service to the organisation while getting involved in new programs and initiatives.



Brad Hannagan  
Chief Executive Officer

The results of the Student Survey were extremely pleasing with 95% of respondents satisfied with their Membership and over 99% of eligible students saying they would re-join Arc in 2018.







# Chair's Report

**Edward Bartolo**  
Chair of the Board  
Student Director

2017 was a year of looking toward the future and an unrelenting delivery of our student focused strategy.

One of the most significant successes of the year was the finalisation and signing of a long term funding agreement with UNSW. The signing of this agreement will not only allow Arc to fulfil its vision until 2025, but is a strong example of the strength of the relationship between UNSW and Arc.

The particulars of our broader operational and strategic success of the year are outlined in the Chief Executive Officer's report, however I have provided some highlights of the year below.

## Delivery of our Strategy

In 2017 Arc had great success in delivering on our vision of creating the best student experience at UNSW, through the engagement, support and development of our members. Over 28 000 members that joined Arc in 2018 and the results of our annual survey reported a satisfaction rating of over 95%, with 99% of eligible students saying that would renew their membership in 2019.

As noted by the CEO in their report, the board made a clear decision when compiling the 2017 budget to use part of our reserves to maintain a high level student experience at UNSW despite the financial challenge of not having the Roundhouse for the duration of the year. This was the right decision, and I'm proud of what we achieved over the year.

Due to the temporary closure of the Roundhouse, the Greenhouse was set up on the Village Green and by all measures it was a huge success. It is a clear example of Arc both being on the pulse of what students want at UNSW, and executing it brilliantly.

The over 300 clubs and societies affiliated with Arc continued to provide incredible experiences to the students of UNSW. From cultural clubs supporting UNSW's diverse communities on campus, through to providing unique social opportunities catering for almost every interest - clubs are the lifeblood of student life at UNSW.

Almost 4 000 volunteers across our 26 volunteer programs donated over 18 000 volunteer hours in 2017 to making UNSW and our broader community a better place. Our new student run philanthropy based volunteer program, Phil, raised over \$75 000 for the Sydney Children's Hospital Child Life and Music Therapy Unit in just its second year of operation.

Student's employed by Arcare central to the delivery of our strategy. In 2017 we employed over 180 students on campus, and ran 10 award winning internships - all dedicated toward improving the student experience at UNSW.

Sport had a very successful year, creating opportunities for every student that wants to get involved. One example of this is the launch in 2017 of She Can, an all encompassing female run program aimed at empowering each and every female identifying person on campus to get active. Almost 2000 female identifying students were engaged over the year, and we're expecting strong growth into 2018.

## Advocating for the best student experience

2017 has been an incredibly successful year in terms of student advocacy. Over 2017 I have worked tirelessly with Arc's Student Councils (especially Aislinn Stien-Magee (SRC President), Zack Solomon (SRC General Secretary) Jane Aslanidis (PGC President)) to advocate the best student experience across campus.

There have been too many successes to outline in this report, but I have provided some highlights of the initiatives that we have partnered with UNSW on below.

- › Developing a Financial Inclusion Action Plan for UNSW, which is the first step in a long-term effort to ensuring that UNSW is accessible and equitable for everyone, regardless of their background.
- › Advocating for and providing the student voice in the prevention and response to Gendered Misconduct on campus. This includes the co-creation of online consent and ethical relationship learning modules, contributing to the Human Rights Commission's national report on this topic, the development of an online reporting portal and better support services for victims.
- › We had great progress on a model and framework for student consultation so that students are involved in all decisions at UNSW, from the beginning of the process.
- › We advocated for best practice services relating to Mental Health, which resulted in a comprehensive review of our current service delivery and exciting opportunities for progress in 2018 - including a dedicated research project on this topic.

Additionally, we have been looking beyond just our shores and have been a key part of the P+L+U Alliance partnership between UNSW, King's College London and Arizona State University. We have established a cross-institution student council and have already seen great benefits from the knowledge and resources sharing that has taken place. Central to this partnership is exploring ways for students to contribute to the world changing activities that are taking place as part of the alliance.

## Looking toward the future

Following the signing of the funding agreement, I had the opportunity to present to UNSW Council on Arc's successes of 2017. At this meeting, Vice Chancellor Ian Jacobs reiterated the strength of the relationship between Arc and UNSW, and that what we achieve together for students is unparalleled. I look forward to seeing our strong collaboration continue.

With the signing of the funding agreement, we were given a great opportunity to focus on the future and how we will serve students in an ever changing education sector.

There are a number of challenges facing the organisation over the next few years, such as a change in UNSW's calendar system and a broad sector-based move to digital learning that will dramatically alter our service delivery model. As a board and organisation we are very much aware and are actively preparing for these and other challenges that lie ahead.

In 2018 we will be developing a strategic plan that outlines our approach to these challenges, and toward the end of 2017 I ran multiple strategy sessions including both management and board.

I'm excited for and confident in our ability to adapt to the change, and look forward to seeing the direction of the organisation into the future.

## Final Words

I would like to thank my fellow board directors for their support and confidence in me during my term as Chair of the Board.

The incredible work that Arc does all comes down to the incredible staff that we have within the organisation, many of whom themselves are students of UNSW. Thank you for your enduring commitment to changing lives at UNSW.

Finally, thank you to our members. It has been a privilege to serve you and I thank you for contributing to the amazing organisation that is Arc.



# Board of Directors

## DIRECTORS AS AT 31 DECEMBER 2017



**Brad Hannagan**  
Chief Executive Officer  
Director  
Company Secretary



**Edward Bartolo**  
Chair of the Board  
Student Director



**Kynan Newsan**  
Alumni Director



**Amanda Young**  
Alumni Director



**Samuel Westley**  
Student Director



**Sourabh Dhouchak**  
Postgraduate Council (PGC)  
President



**Zack Solomon**  
Student Representative Council  
(SRC) President

## OUTGOING DIRECTORS



**Aaron Magner**  
University Director



**Lucian Hiss**  
University Director



**Audrey Marsh**  
Student Director



**Erin Bailey**  
Student Director



**Aislinn Stein-Magee**  
Student Representative Council  
(SRC) President



**Jane Aslanidis**  
Postgraduate Council (PGC)  
President



**Steven Tropoulos**  
University Director



**Roanize Kruger**  
Student Director



**Joshua Sun**  
Student Director



**Jason Zabakly**  
Student Director



**Mia Carey**  
Student Director



**Nadhirah Daud**  
Student Director



**Tina Zhou**  
Student Director



**Ashna Basu**  
Student Director



**Tom Morrison**  
Student Director



# Directors' Report

The directors present their report, together with the financial statements, on Arc @ UNSW Limited (the 'company') for the year ended 31 December 2017.

## 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
Edward Bartolo
Kynan Newsan
Amanda Young
Aaron Magner
Audrey Marsh
Erin Bailey
Joshua Sun
Jason Zabakly
Mia Carey (appointed on 6 June 2017)
Nadhirah Daud (appointed on 6 June 2017)
Samuel Westley (appointed on 6 June 2017)
Lucian Hiss (appointed on 2 July 2017)
Sourabh Dkouchak (appointed on 1 December 2017)
Zack Solomon (appointed on 1 December 2017)
Steven Tropoulos (resigned on 1 May 2017)
Tom Morrison (resigned on 31 May 2017) *
Ashna Basu (resigned on 31 May 2017) *
Roanize Kruger (resigned on 31 May 2017) *
Tina Zhou (resigned on 31 May 2017) *
Jane Aslanidis (resigned on 30 November 2017) *
Aislinn Stein-Magee (resigned on 30 November 2017) *

\* 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'), Student Support (Legal and Advocacy) and Art and Design Student Council;
- **Entertainment** - Roundhouse parties, bars and weekly entertainment;
- **Food & Beverage** - Bistro and Whitehouse.
- **Publications** - Blitz, Tharunka, UNSWeetened and International Cookbook
- **Clubs and Societies Facilities** - Computer labs, rooms for hire and postgrad lounge;
- **Arc Creative Services** - established in January 2014 provides design and printing services for both internal and external clients; and
- **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.

UNSW Council approved a refurbishment project for the UNSW Roundhouse in February 2016 which commenced in July 2016 and resulted in the Roundhouse being non-operational for the period July 2016 until February 2018. It became operational in February 2018.

## 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.

Director	Title	Qualifications/ Experience	Special Responsibilities
<b>Brad Hannagan</b>	Director, Chief Executive Officer and Company Secretary	MMGT (Macq), AMP (Wharton, UPenn) Brad is Chair of the Board at Lifeline Macarthur.	None
<b>Edward Bartolo</b>	Student Director	Edward is a Commerce/Science student at UNSW. He is currently a member of the UNSW Academic Board and Deputy Dean of Philip Baxter College. In his time at UNSW he has also been a member of the UNSW Academic Quality Committee, elected to advocate for students on the Student Representative Council, and has volunteered for three years as a part of the Yellowshirts Orientation program, taking a senior organising position in 2016.	Honorary Treasurer (June 2016 - May 2017), Chair of the Board (June 2017 - current)
<b>Kynan Newsan</b>	Alumni Director	BComm (Hons 1) (UNSW), MBA (Exec) (AGSM UNSW) 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.	None
<b>Amanda Young</b>	Alumni Director	B Soc Work Amanda is a graduate of UNSW and has more than 15 years' experience in the fields of child protection and Government service provision. She is a practitioner, manager, director and has managed more than 1000 staff and budgets of over \$1b. She currently holds the positions of Executive Director, South Western Sydney, NSW Department of Family and Community Services.	None
<b>Aaron Magner</b>	UNSW Director	B. Econ (Macq), B. Law (Hons 1) (UTS), LL.M. (Corporate and Commercial Law) (UNSW), MEM (UNSW). Aaron is the Director for Safety and Wellbeing at UNSW. He is responsible for UNSW's health, safety and environmental (HSE) management systems, related policies and procedures, strategy and engagement. Among other things he manages UNSW's HSE reporting, risk, audit and induction and compliance training. Previously Aaron was a Legal Counsel at UNSW and he maintains a legal practicing certificate. He has also worked for Deloitte, the NSW Ombudsman's Office, Turner Freeman Lawyers, Trade Unions as an organiser and research officer, a legal writer and editor with CCH and Thomsons and a university tutor and lecturer. He is the staff representative on the UNSW University Council and a member of the UNSW Audit Committee.	None
<b>Audrey Marsh</b>	Student Director	Audrey is a Bachelor of Planning/Bachelor of Laws student. Audrey has experience in student roles in consulting and local government. She is a student representative on the UNSW Business Continuity Committee.	Chair of Audit & Risk Subcommittee (June 2016 - May 2017), Chair of Nominations & Remuneration Subcommittee (June 2017 - current).
<b>Joshua Sun</b>	Student Director	Josh is a Bachelor of Engineering/Commerce student. He was previously a member of the UNSW SRC (2016).	None



<b>Erin Bailey</b>	Student Director	BInst/LLB (UNSW) Erin recently completed her International Studies/ Law degree at UNSW. She has been involved with Arc as a volunteer through a number of different programs including Yellow Shirts, Event Horizon and Phil' and was the Stationery Reuse Centre Student Coordinator in 2015. She has been involved as an Executive Member and Director of the UNSW Arts and Law Societies respectively and was a Student Ambassador for UNSW. She is undertaking a graduate program in the Australian Public Service.	Student Development Committee Convenor (June 2017 - current).
<b>Jason Zabakly</b>	Student Director	Jay is a Arts/Education student who becomes heavily invested in the communities he involves himself in. Jay has been at UNSW for 4 years and hopes to involve himself further in the Tertiary sector. Jay seeks to reach the highest levels of whatever he involves himself in. Therefore, he always invests his time into developing himself and stepping up to the plate.	None
<b>Mia Carey</b>	Student Director	Mia is a fourth year Fine Arts/ Arts student. She has had volunteer experience for the Reclaim the Night Rally Sydney's organising collective and has been a photographic contributor to Arc's publication Tharunka.	Chair of Audit & Risk Subcommittee (June 2017 - current).
<b>Nadhirah Daud</b>	Student Director	Nadhirah is a Bachelor of Arts/Bachelor of Laws student. In her time at UNSW, she has represented students in her roles on the Student Representative Council and the UNSW Law Faculty Board. She has also served on the executives of the UNSW Debating Society and UNSW Law Society and volunteered with Shack Tutoring.	Honorary Treasurer (June 2017 - current).
<b>Samuel Westley</b>	Student Director	Sam is an Arts & Business / Law student. In his time at UNSW, he has served within the Justices of the Peace League team in Arc, as a Peer Mentor for the Faculty of Arts & Social Sciences Peer Mentoring Program and in the UNSW Law Society. Sam has experience in roles in law firms and at a community legal centre.	None
<b>Lucian Hiss</b>	UNSW Director	B.Sc (Business Information Technology), Master Business Administration (AGSM) Lucian is The Faculty Executive Director (FED) at UNSW Engineering and plays a key leadership role contributing to the strategic and operational needs of the Faculty. He oversees the management of plans and processes to deliver operational services to the Faculty to ensure it meets its academic, research and learning outcomes. Lucian represents on numerous boards and committees at UNSW including the UNSW People and Culture Steering Committee, the Division of External Relations Customer Service Committee, the Student Support Services Program Board, the ACIS Business Advisory Group, the Insight CRM Business Advisory Group and the HR Systems Project Board.	None
<b>Sourabh Dkouchak</b>	Postgraduate Council President	Sourabh is a Master's in Engineering Science student in UNSW. He completed his Bachelor's in Civil Engineering in June 2016. He is currently the Senior Resident at New College Village.	None
<b>Zack Solomon</b>	Student Representative Council President	Zack is a UNSW Student. Zack has experience in a number of student representative roles as General Secretary of the SRC in 2017, as well as in advocacy and the public service. Zack is also a member of UNSW Academic Board and the UNSW Learning Environments Steering Committee	None

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2017, and the number of meetings attended by each director were:

### FULL BOARD

	Attended	Held
Brad Hannagan	8	8
Edward Bartolo	8	8
Kynan Newsan	8	8
Amanda Young	5	8
Aaron Magner	7	8
Audrey Marsh	8	8
Erin Bailey	7	8
Joshua Sun	8	8
Jason Zabakly	5	5
Mia Carey	5	5
Nadhirah Daud	4	5
Samuel Westley	5	5
Lucian Hiss	2	3
Sourabh Dkouchak	-	-
Zack Solomon	-	-
Tom Morrison	4	4
Steven Tropoulos	-	3
Ashna Basu	2	4
Roanize Kruger	4	4
Tina Zhou	4	4
Jane Aslanidis	5	8
Aislinn Stein-Magee	7	8

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

### 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 \$28,601, based on 28,601 current ordinary members.

### Auditor's independence declaration

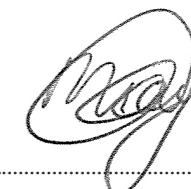
A copy of the auditor's independence declaration is set out on the following page.

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

On behalf of the directors



**Nadhirah Daud**  
Honorary Treasurer



**Mia Carey**  
Director

27 March 2018  
Sydney

# Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2017

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF ARC @ UNSW LIMITED  
ABN 71 121 239 674**

As lead auditor for the audit of Arc @ UNSW Limited for the year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor 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.



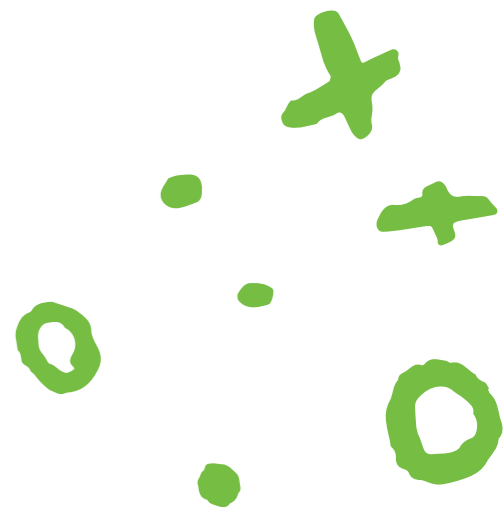
S S WALLACE  
PARTNER

PITCHER PARTNERS  
SYDNEY

27 March 2018

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## Statement of profit or loss and other comprehensive income

	Note	2017 \$	2016 \$
<b>Revenue</b>	<b>4</b>	<b>9,454,505</b>	<b>9,400,989</b>
<b>Expenses</b>			
Food, beverage and other purchases		(1,324,943)	(1,393,892)
Sports operation expense		(1,051,410)	(743,537)
Employee benefits expense		(5,358,022)	(5,358,633)
Depreciation and amortisation expense	5	(356,330)	(379,023)
Marketing		(376,858)	(361,686)
Membership		(62,708)	(65,377)
Administration		(602,437)	(641,026)
Utilities		(68,937)	(85,450)
Security		(142,339)	(210,531)
Rental, hire, finance lease		(282,299)	(308,069)
Other expenses		(4,793,407)	(1,312,781)
<b>Deficit before income tax expense</b>		<b>(4,965,185)</b>	<b>(1,459,016)</b>
Income tax expense		-	-
<b>Deficit after income tax expense for the year attributable to the members of Arc @ UNSW Limited</b>	<b>17</b>	<b>(4,965,185)</b>	<b>(1,459,016)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the members of Arc @ UNSW Limited</b>		<b>(4,965,185)</b>	<b>(1,459,016)</b>

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

## Statement of financial position

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,035,852	5,529,656
Trade and other receivables	7	228,884	1,441,453
Inventories	8	261,410	241,716
Total current assets		5,526,146	7,212,825
<b>Non-current assets</b>			
Trade and other receivables	9	-	3,568,888
Property, plant and equipment	10	919,886	1,001,495
Intangibles	11	113,061	156,050
Work-in-progress	12	863,435	-
Other	13	1,200	1,200
Total non-current assets		1,897,582	4,727,633
<b>Total assets</b>		<b>7,423,728</b>	<b>11,940,458</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	947,959	549,784
Employee benefits	15	449,543	384,913
Deferred revenue	16	48,353	62,703
Total current liabilities		1,445,855	997,400
<b>Total liabilities</b>		<b>1,445,855</b>	<b>997,400</b>
<b>Net assets</b>		<b>5,977,873</b>	<b>10,943,058</b>
<b>Equity</b>			
Retained surpluses	17	5,977,873	10,943,058
<b>Total equity</b>		<b>5,977,873</b>	<b>10,943,058</b>

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

## Statement of changes in equity

	Retained surpluses \$	Total equity \$
Balance at 1 January 2016	12,402,074	12,402,074
Deficit after income tax expense for the year	(1,459,016)	(1,459,016)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(1,459,016)	(1,459,016)
<b>Balance at 31 December 2016</b>	<b>10,943,058</b>	<b>10,943,058</b>

	Retained surpluses \$	Total equity \$
Balance at 1 January 2017	10,943,058	10,943,058
Deficit after income tax expense for the year	(4,965,185)	(4,965,185)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(4,965,185)	(4,965,185)
<b>Balance at 31 December 2017</b>	<b>5,977,873</b>	<b>5,977,873</b>

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

## Statement of cash flows

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from sale of goods and other		10,110,878	7,579,064
Receipts from membership		-	6,693
Receipts from UNSW service agreement		4,017,757	3,422,424
Payments to suppliers and employees		(14,061,561)	(11,070,066)
Interest received		132,948	130,905
Net cash from operating activities		200,022	69,020
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(231,732)	(71,820)
Payments for intangibles		-	(54,990)
Renovations		(462,094)	-
Net cash used in investing activities		(693,826)	(126,810)
<b>Cash flows from financing activities</b>			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(493,804)	(57,790)
Cash and cash equivalents at the beginning of the financial year		5,529,656	5,587,446
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>5,035,852</b>	<b>5,529,656</b>

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



## Notes to the financial statements

### 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 27 March 2018. 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 or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended 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 'weighted average' 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 are 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 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 transfers 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 wholly 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 at 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 that 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.

### Note 4. Revenue

	2017 \$	2016 \$
<b>Sales revenue</b>		
UNSW service agreement funding	3,467,757	3,422,424
Sale of goods	2,728,354	2,929,425
Rental, venue hire, amusements	305,160	525,304
Sponsorships	550,433	464,524
Membership	-	6,693
Academic dress hire	544,821	355,437
Sports game and booking income	744,034	727,057
	8,340,559	8,430,864
<b>Other revenue</b>		
Management fees	550,000	372,000
Interest	132,948	130,905
Other revenue	430,998	467,220
	1,113,946	970,125
<b>Revenue</b>	<b>9,454,505</b>	<b>9,400,989</b>

### Note 5. Expenses

	2017 \$	2016 \$
Deficit before income tax includes the following specific expenses:		
<b>Depreciation and amortisation</b>		
Leasehold improvements	93,258	91,956
Furniture and fittings	126,063	157,143
Motor vehicles	47,170	40,987
Computer equipment	31,944	35,257
Academic dress	14,906	13,870
Software	42,989	39,810
<b>Total depreciation and amortisation</b>	<b>356,330</b>	<b>379,023</b>
<b>Rental expense relating to operating leases</b>		
Total rental expense relating to operating leases	182,212	173,836
<b>Write Off of assets</b>		
Receivables	3,555,545	-

*Long-term receivable of \$3,555,545, the balance of unpaid instalments from UNSW for the sold outlets in campus in 2012, has been written off due to UNSW changing the way of paying Arc service grant. Commencing 2018, the \$888,889 annual instalment will be included in the annual service grant which will be recognised as annual revenue.*



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

	2017 \$	2016 \$
Cash on hand	1,326	2,569
Cash at bank	953,629	340,090
Cash on deposit	4,080,897	5,186,997
	5,035,852	5,529,656

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

	2017 \$	2016 \$
Trade receivables	121,768	367,861
Less: Provision for impairment of receivables	-	(20,441)
	121,768	347,420
Receivable from UNSW, net present value	-	875,556
Prepayments	107,116	218,477
	228,884	1,441,453

The weighted average discount rate used to determine the present value for the receivable from UNSW was nil% (2016: 2.03%).

**Note 8. Current assets - inventories**

	2017 \$	2016 \$
Finished goods - at cost	261,410	241,716
	261,410	241,716

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

	2017 \$	2016 \$
Trade receivable - long term	-	90,222
Receivable from UNSW, net present value	-	3,478,666
	-	3,568,888

The weighted average discount rate used to determine the present value for the receivable from UNSW was nil% (2016: 2.03%).

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

	2017 \$	2016 \$
Leasehold improvements - at cost	921,135	921,135
Less: Accumulated depreciation	(529,661)	(436,403)
	391,474	484,732
Furniture and fittings - at cost	3,756,511	3,732,144
Less: Accumulated depreciation	(3,522,165)	(3,396,102)
	234,346	336,042
Motor vehicles - at cost	390,032	242,174
Less: Accumulated depreciation	(190,182)	(143,012)
	199,850	99,162
Computer equipment - at cost	972,977	931,210
Less: Accumulated depreciation	(924,788)	(892,844)
	48,189	38,366
Computer equipment - leased	253,734	253,734
Less: Accumulated depreciation	(253,734)	(253,734)
	-	-
Academic dress - at cost	156,485	138,745
Less: Accumulated depreciation	(110,458)	(95,552)
	46,027	43,193
	919,886	1,001,495

**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 2017	484,732	336,042	99,162	38,366	43,193	1,001,495
Additions	-	24,367	147,858	41,767	17,740	231,732
Depreciation expense	(93,258)	(126,063)	(47,170)	(31,944)	(14,906)	(313,341)
<b>Balance at 31 December 2017</b>	<b>391,474</b>	<b>234,346</b>	<b>199,850</b>	<b>48,189</b>	<b>46,027</b>	<b>919,886</b>

**Note 11. Non-current assets - intangibles**

	2017 \$	2016 \$
Software- at cost	1,154,487	735,749
Less: Accumulated Amortisation	(1,041,426)	(579,699)
	<b>113,061</b>	<b>156,050</b>

**Reconciliations**

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

	Software \$
Balance at 1 January 2017	156,050
Amortisation expense	(42,989)
<b>Balance at 31 December 2017</b>	<b>113,061</b>

**Note 12. Non-current assets - work-in-progress**

	2017 \$	2016 \$
Work-in-progress	863,435	-

*UNSW Council approved a refurbishment project for the UNSW Roundhouse in February 2016 which commenced in July 2016. The Roundhouse has become operational since February 2018. During 2017, \$863,435 relating to Roundhouse renovations ('WIP') has been incurred.*

**Note 13. Non-current assets - other**

	2017 \$	2016 \$
Unlisted shares - at cost	1,200	1,200

**Note 14. Current liabilities - trade and other payables**

	2017 \$	2016 \$
Trade payables	137,340	203,353
Other creditors and accruals	767,468	342,793
Other payables	43,151	3,638
	<b>947,959</b>	<b>549,784</b>

**Note 15. Current liabilities - employee benefits**

	2017 \$	2016 \$
Employee benefits	449,543	384,913

**Note 16. Current liabilities - deferred revenue**

	2017 \$	2016 \$
Deferred revenue	48,353	62,703

**Note 17. Equity - retained surpluses**

	2017 \$	2016 \$
Retained surpluses at the beginning of the financial year	10,943,058	12,402,074
Deficit after income tax expense for the year	(4,965,185)	(1,459,016)
<b>Retained surpluses at the end of the financial year</b>	<b>5,977,873</b>	<b>10,943,058</b>

**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 2017 was 28,601 (2016: 30,726).

**Note 19. 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:

	2017 \$	2016 \$
Aggregate compensation	773,984	770,088

## Note 20. Contingent liabilities

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

	2017 \$	2016 \$
<b>Bank guarantee - White House</b>	<b>12,833</b>	<b>12,833</b>

## Note 21. Commitments

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

	2017 \$	2016 \$
<b>Lease commitments - operating</b>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	205,363	194,193
One to five years	371,401	434,402
	<b>576,764</b>	<b>628,595</b>

*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 22. Related party transactions

### Key management personnel

Disclosures relating to key management personnel are set out in note 19.

### 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 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 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 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth), including compliance with accounting standards;
- > the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2017 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 Profit Commission Regulations 2013.

On behalf of the directors



**Nadhirah Daud**  
Honorary Treasurer



**Mia Carey**  
Director

27 March 2018,  
Sydney



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ARC @ UNSW LIMITED  
ABN 71 121 239 674**

**Report on the Audit of the Financial Report**

We have audited the financial report of Arc @ UNSW Limited ("the Company"), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

**Opinion**

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

- a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the ACNC Act.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ARC @ UNSW LIMITED  
ABN 71 121 239 674**

**Responsibilities of Directors for the Financial Report (continued)**

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Report (continued)**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



S S WALLACE  
PARTNER



PITCHER PARTNERS  
PITCHER PARTNERS  
SYDNEY

27 March 2018



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