



UNSW Student Life

# ANNUAL REPORT

31 DECEMBER 2016

[arc.unsw.edu.au](http://arc.unsw.edu.au)



**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  
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Level 2, Basser College  
UNSW

**ANNUAL REPORT PUBLISHED BY**

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# Chief Executive Officer's Report

**Brad Hannagan**  
Chief Executive Officer

2016 was a challenging year for Arc. The extraordinary positive news of the commencement of the Roundhouse refurbishment came with the negative impact of losing the venue, the Unibar and the Bistro for the entirety of semester 2. The financial impact of these closures was >\$1M in lost revenues. This resulted in a "cash loss" of \$191K from operations for the period. However, the health of the organisation's Balance Sheet enabled Arc to weather this loss without having to take drastic cost cutting initiatives and more importantly, to continue to invest in our mission to support, engage and develop the students of UNSW. The cash flow deficit is expected to be temporary and will return to positivity with the projected re-opening of the Roundhouse in early 2018.

## 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 28%, with 219 of the Clubs receiving funding support during the year. 2016 saw Arc launch Clubs Mashup, an initiative which encourages and provides support for Clubs in running collaborative events on campus that engage the general student population. The Clubs Space is also the home of our new How to Make workshop series, which gives students the chance to learn a new creative skill, as well as the new location of our popular How to Adult workshop series.

2016 also saw the launch of Arc's Leadership Labs; a dedicated leadership development course which in its inaugural year ran with 2 cohorts, providing over 80 students with the opportunity to learn through hands on exercises and discussions, and to experience expert facilitated workshops to grow into self-reflective, healthy, confident leaders.

Arc also launched Phil' a new Philanthropy based program. Phil' has the aim of uniting the entire UNSW community behind one common

goal of raising awareness and money for a great cause each year. The program offered multiple levels of engagement for participants and volunteers and culminated in a 24 hour Fun-A-Thon at the end of the year. In 2016 Phil' raised money for the Sydney Children's Hospital Child Life and Music Therapy department and was successful in raising over \$34,000.

After a successful pilot program in 2015, Arc and UNSW Innovations officially launched the FounderLab in 2016. In its first (partial) year, FounderLab has seen almost 10 different startups come through, with successful MVPs built for all the teams who followed through to completion with the program, with several teams receiving six figure external investment post-delivery of their MVP.

Our service based volunteering programs continued to flourish; with Bike-ology having serviced over 600 bikes and the volunteer JPs within the Justices of the Peace League program seeing almost 800 documents from over 300 students and staff utilising the service throughout the year. The Stationery Reuse Centre reached almost 3,000 users and recycled more than 12,000 units of stationery.

The community engagement programs have also maintained their high standards, with Mosaic Mentoring engaging over 70 students across 6 high schools, and Shack Tutoring tutoring almost 120 students over the course of the year. The Producers in its second year of operations, has almost doubled its volunteer base and continues to work with building managers and departments across campus to set up and maintain gardens. Wellness Warriors flourished in 2016 with a series of bi-weekly pop-events, videos and a strong presence at existing events like Stress Less Week.

Several programs were rebranded to better meet strategic outcomes and have successfully achieved new success, with The Mob becoming Arc Goes To..., and The Pod and vHub merging with Blitz to become a new suite of media programs: Blitz Magazine, Radio and TV. The new radio format has allowed the program to reach listenership of almost 5,000 and Blitz TV produced over 60 videos, accumulating a record 36,000 views. Arc Goes To...s expanded scope exceeded all previous levels of student engagement, running over 30 trips across Sydney and with over 500 students attending.

The Student Cookbook was as well received as ever, continuing its resurgence in recipe submissions and with the addition of an online blog, while UNSweetened received almost 200 student submissions and celebrated its launch at the Paddington Campus. Global Village saw its biggest year of growth since its inception, expanding the

number of trips offered, receiving almost 200 applications and sending over 120 volunteers to work with communities in 8 different countries. Walama Muru's volunteers returned to Palm Island, refurbishing the community's post office and gaining first-hand experience and greater appreciation of the lifestyle in Palm Island and of Aboriginal culture and issues in general.

Artsweek brought renewed focus to creating interactive activations for students across campus, including a Laneway Party featuring a Silent Disco, a Muffin Drop and Online Vs Reality activations and engaging over 2,500 students through online and physical activities. The Volunteer Army team facilitated over 5,000 hours of volunteer work logged by students as well as raising over \$11,000 for various charities. Event Horizon, another fledgling program, has successfully helped to run some of the largest events in the University's calendar including Welcome Back Day, Foundation Day and Stress Less Week, garnering high satisfaction and attendance rates with the student population.

Yellow Shirts provided the best student run Orientation Week in Australia, maintaining its stellar reputation and providing a truly immersive experience for incoming students. In the tail end of 2016, eReuse (a student created sustainability program) was successfully transitioned into a pilot Arc volunteer program, working in conjunction with its founders and UNSW Sustainability. The pilot was successful, and has seen eReuse become an additional offering to students in 2017.

## Membership 2016

Arc Membership expanded its depth and reach in 2016, with 21,000 UNSW student members were recruited by the conclusion of Week 2, Semester 1. This number grew to our largest ever with 30,000 members by the conclusion of Semester 2. This reflects increasing awareness about the value of Arc among the student populace.

The results of the Student Survey were extremely pleasing with 95% of 4000 respondents satisfied with their Membership and 98% of eligible students saying they would re-join Arc in 2017. When asked what 3 words students associated with Arc the top 5 were Enthusiastic, Supportive, Helpful, Innovative and Approachable which is a commendable reflection of our intention to deliver "the best possible student experience".

## Sport

2016 was a year of many wins for Arc Sport. The Social Sport offering continued to grow, with over 800 students participating in sports varying from Futsal to Oztag to Dance classes.

Festival of Sport grew to over 3000 students participating and spectating over three days of sporting activities and fun. Over 150 kilos of bananas were used to make over a thousand smoothies by energetic student volunteers for thirsty student participants with the popular Bike n Blend blenders. The Festival finale featured a Colour Dash on the University walkway. It was attended by a large and diverse group of student participants that had a great time. It was also great to see nearly the entire team of Arc staff come and help student volunteers ensure the Colour Dash was a great success.

Arc made great strides with our relationship with all 37 affiliated Sports Clubs. Wins in the field of Clubs can be seen by the increase in administrative and financial security, the growth introductory courses which in turn saw a strong increase in student numbers in the Clubs as well as success out on the park. This strength within Sports Clubs was a key component to our outstanding showing at University Games events in 2016.

UNSW had its most successful year at University Games to date. At the Eastern University Games (EUGs) UNSW won an outstanding 5 pennants, edging over the line to become Overall Champion's due to our significant number of silver and bronzes - it is the first-time UNSW have been crowned EUG champions. UNSW also claimed the Uebergang Cup Overall Male Champion and the Sportsraft Cup Overall Female champion which led to UNSW being the Intervarsity Combined Teams Trophy Overall Champion at the Australian University Snow games. The last time UNSW were Snow Games Champions was in the 1980's. On top of all these achievements our all-conquering men's Table Tennis team once again brought home the Gold at the Australian University Games. These results were achieved whilst brining along one of the largest team of students to any University Games event.

Arc Sport has been working diligently on its relationship with the University, and we are confident that 2017 will be a year of many positive announcements including the University firmly entrenching Sport at UNSW within its 2025 Strategy.

## Art & Design

With a new team 2016 was a year full of fresh energy, presenting new perspectives for student engagement and opportunities to enrich the campus community spirit at Art & Design. Presenting 14 ongoing programs with the addition of 10 student led initiatives and social activities during each semester, Art & Design programs in 2016 saw a 10% increase with student and community engagement.

- › Brightside continued to build a strong relationship with Regenisis Youth at Woolloomooloo PCYC. Brightside's success is also measured in the testimonies provided by the high school students, one student stating they "go home and draw every day because of Brightside".
- › Kudos Gallery hosted 24 exhibitions in 2016, providing the opportunity for 222 artists and/or curators to exhibit in the gallery and bringing in audience numbers of 3283. The Annual Kudos Emerging Artist + Designer Award saw 38 finalists selected from 100 applications. Undergraduate student Sabella D'Souza was awarded the \$1500 top prize as well as the Girl Genius Award (an annual award offering a cash prize to a female student by a collective of female artists and academics aiming to redress gender imbalance in the arts). Kudos Supported 15 Volunteers via the White Cube program and 2 Internships in 2016. Kudos Gallery in 2016 has made great strides in new directions under the leadership of the Gallery Coordinator Luke Letourneau.
- › Art & Design Grants in 2016 funded 30 national projects, supporting a total of 73 of Art & Design students to bring their projects to life through group and individual applications.

- › Framework maintained its high standard of arts writing while also using the year as an opportunity to move in an experimental writing direction, making room for writing as arts practice, effectively engaging more students.
- › Art & Design continues to run initiatives such as Free Lunch, Five Dollar Feast, The Mural Project, UNSW Sounds, Free Yoga, Parties to continue fostering the campus community that is flourishing at Paddington.

## Legal & Advocacy

The newer welfare initiatives continued to be a major priority, in particular providing 'welfare packs' (bags of essential supplies including hygiene, food and baby care) to students in need, and Arc's crisis accommodation service which was used by different students for over 30 weeks of 2016. The demand for that service came from a broad demographic, both very young students experiencing temporary homelessness due to family breakdown or other serious personal circumstance, and older persons who, for example, needed to leave an abusive relationship and used this service while seeking more secure, long-term accommodation.

The Tax Help service enjoyed its second successful year, with an extremely competitive volunteer intake, showing the value students with an accounting or finance background place on the training and experience provided.

As we have seen in most years, housing concerns remained the stand-out issue for students seeking advice in 2016, accounting for around 10% of all inquiries. It also continues to be the greatest concern for overseas students. A greater priority is being placed on easy to use web content with template letters and brief guides so students can assist themselves before encountering difficulties.

## Venue & Events

The Roundhouse hosted over 100 events in the first 5 months of the year and saw 60,000 people through its doors. International and local touring acts continued to visit the venue including 2 x sold out shows by Grammy winners Twenty One Pilots. The Roundhouse closed for renovations in June 2016 ending on a week of "Best Of" events known as the Last Round which included a Roller Disco, Full Moon Party, Hot Dub Time Machine and Fear Factory.

Events maintained a strong presence on campus despite the loss of the Roundhouse building with existing events being expanded including Spring Festival and International Night Markets. New events also featured with the Venue and Events team creating a weekly Pop-Up Bar offering on the Newtown Lawn whilst waiting for the Greenhouse project to be completed. Session parties were successfully moved off-site to the nearby Coogee Bay Hotel. Clubs and Societies continued to be supported after the Roundhouse closure with free room hire being offered in the Scientia Building.

## Food and Beverage

As a result of The Roundhouse closing for refurbishment, the Bar and Bistro operated in the first semester only. To capitalise upon the limited operating time the bar moved several events previously held across the year into semester one including Beerfest and Ciderfest.

The Bistro, with a new look menu, attained positive feedback from customers and was awarded with an increase in sales. The operation of The Bistro in 2016 has set the blueprints for our reopening in 2018 within the refurbished Roundhouse.

The Whitehouse continued to grow in 2016 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 venues ambience and atmosphere.

2016 also saw the introduction of the Pop-Up bar. Located in front of the Newton Building, overlooking what was to be our new space on the Village Green, it provided a place for students to relax with friends whilst enjoying a drink and various food, with a diverse rotation of food trucks servicing our area. The Pop-Up bar reminded students and staff that even with the closing of The Roundhouse, Arc will always be present in student life at UNSW.

## Marketing & Communications

2016 was a year of growth and change for the Marketing Department, with a strong focus on developing a more cohesive and strategic approach to our digital communications. The ongoing evolution of the new Arc website (launched early 2016) saw increasing engagement with an 87% increase in users and an exponential increase in interaction than that of the previous year.

Marketing proactively sought to engage Arc's demographic, creating increasingly relevant campaigns and designs for events, services and publications, driving online traffic and increasing event engagement. There was ongoing growth of engagement across all social media platforms with the launch of Snapchat reflecting our ability to respond to student channel demands, and Arc's Facebook following and engagement growing by a respective 19% and 26%.

Marketing is in a privileged position, working across Arc departments and able to engage and assist in a variety of projects. A highlight of 2016 was working on and developing a creative campaign for Phil' in its inaugural year, specifically its hugely successful 24-hour Fun-A-Thon.

## Sponsorship & Advertising

The department continued to see growth in 2016 with roughly a 10% 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 similar growth should be seen in 2017.

## IT

IT continues to play a major role as a service department for both students and staff. 2016 was year of migration for IT with Arc adopting cloud technology and taking several steps towards the goal of moving all infrastructure to the cloud by end of year 2017. Email services were moved to the Microsoft Office 365 platform, Connx (HR platform) and Micropay (payroll) migrated to SAGE private cloud with file services transitioned to Sharepoint online and LEAP (Legal Services) moved to a private cloud. These movements will increase business efficiency and productivity through a 99.9% uptime guarantee, increase access security and make it simpler for employees to work from anywhere.

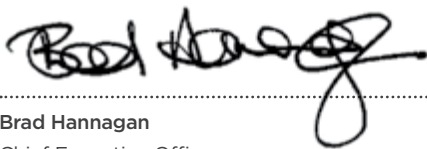
Due to the above migrations to Cloud IT was also successful in reducing Arc's hardware footprint resulting in both energy and cost savings, whilst enhancing business continuity. 2017 will be equally busy as the team will be focusing on towards migrating remaining virtual infrastructure to the Cloud.

## Gender Equality

For the third year running, despite the increasingly rigorous criteria, Arc has again been awarded the WGEA Employer of Choice for Gender Equality (EOCGE) citation. The WGEA EOCGE citation is designed to encourage, recognise and promote an active commitment to achieving gender equality in Australian workplaces. Arc is one of only 106 organisations Australia wide to receive the citation in 2016.

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. This year saw an increased focus upon flexibility and greater support for women progressing into leadership positions.

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.



.....  
**Brad Hannagan**  
Chief Executive Officer



# Chair's Report

**Tina Zhou**  
Chair of the Board

2016 for Arc was a year of challenge, reflection, high impact growth and an unrelenting delivery of our student-centered mission. On the challenge front, we said a teary but promising farewell to our beloved Roundhouse for 18 months and we observed and reassessed as the university began their structural transition towards enacting their newly minted 2025 strategy. In line with our strong relationship with the university, both Arc staff and members of the Board commendably endeavoured to give sustained feedback on student life issues at a number of university strategy meetings.

However, the absolute dedication of our new and existing staff, interns and volunteers to Arc's mission in delivering the best possible student experience held the organisation in good stead to amplify our presence and engagement on all campuses. We proudly saw Arc retain 30,000 student members in 2016 with an expanded wellbeing and support offering and contribute to developing an inclusive and equitable sports strategy, with a focus on social sport and student wellbeing. We saw Arc deliver on a new and high impact Leadership Labs program to enhance student development and celebrated as our students

successfully and effectively fundraised, sang and danced their way through our new philanthropy initiative Phil' to give back to the Sydney Children's Hospital in our local community. Pop Up Pictures and the new and funky Pop-Up Bar and Greenhouse were also a hit with our student members wanting to socialise and unwind.

In 2016, the working culture at Arc yet again went unparalleled, with 100% of surveyed staff speaking to their 100% belief in Arc's values. The Board, with its diversity focus, were also enamoured to see Arc obtain the WGEA Employer of Choice for Gender Equality for the third year in a row, and as one of the only 106 organisations around Australia in 2016 to have achieved this rigorous citation. It's a strong reflection on the organisation's people and culture that factors outside of one's ability to do work are irrelevant to one's career prospects and that there is a sustained commitment to flexible work, providing development opportunities and equal reward for work done.

And most importantly, we celebrated the highlights of the student facing and student driven achievements in the past year. I've canvassed them below.



## Student Councils and Representation

2016 was an outstanding and hugely successful year in student representation and engagement with members by our five student councils. Achieving what the students did in 2016 was no mean feat and has been a highly recognised product of the dedication and enormous talent of the student advocates that Arc attracts, and the structures within Arc that allow for all students including Art and Design and postgraduate students, college residents and civilian students in Canberra to represent their constituencies and run events they enjoy.

The student voice also continued to be unfailingly heard and at times heeded in the upper echelons of university management. The availability of our dedicated advocates to provide the student perspective has been especially pertinent in influencing the nature and implementation of the university's transition under its 2025 strategy.

Although unjustifiably long-awaited, it was also remarkable that 2016 was the first year that a female Chair of the Board and two sets of female SRC and PGC Presidents, were concurrently elected to their roles and engaged in joint advocacy at the university level. Their determined and tenacious lobbying successfully saw a move by the university to outsource our campus health service cancelled and instead followed through with a renewed university commitment to refurbish and expand the existing health service. This significant diversification in the type of student face and experiences behind electable student advocates powerfully overturned the perception that you cannot be what you cannot see.

The Student Representative Council (SRC), in representing the 50,000+ students on UNSW campus, continued to deliver on key student issues. 2016 SRC President Sophie Johnston and her team spearheaded the pressure on the university to take action on combating sexual assault and harassment on campus and develop student-appropriate reporting mechanisms and support services. In conjunction with the Post Graduate Council (PGC), the SRC ceaselessly provided feedback with complete candour to the university on academic calendar changes.

SRC members continued to contribute to Equity, Diversity and Inclusion discussions at the university level and the Environment Collective engaged in impassioned activism on sustainability and climate change. Constant lobbying for a sleep pod yielded fruit and it was installed in the library. The 24/7 study space was expanded and plans for lockers and a bicycle hub have been drawn up by the university. Their persistent efforts continue to date with their work voicing the particular concerns of low SES, international, working and rural students on the academic calendar restructure and the legendary and frustrating 891 bus queue issue is making its way via petition to NSW Parliament.

While Arc @ Canberra Committee continued to grow its community of civilian students on its campus, expanded its social sport offering and legal and advocacy service, the PGC capped off 2016 by achieving its highest amount of postgraduate student members, exposure and engagement with its constituency. There were multiple successful cheese and wine nights, a classy PGC Ball, lively and engaged discussion at PGC meetings and highly attended peer mentoring

and social speed dating events. The PGC and their President Nina Teraganova were steadfast in their advocacy on mental health and wellbeing, conducting a survey of postgraduate student needs and running campaigns and providing support on supervisor bullying, research grants, travel concessions for international students and flexible child care options.

The Art and Design Student Council (ADSC), representing over 2500 students at the Art and Design campus in Paddington, also had its most successful year to date. The highly effective and cohesive council worked closely with Arc and the SRC this year and consistently activated engagement on their campus by providing well attended and appreciated stress less tea & toast events, and running craft activities, night markets, two O-weeks, 'Meet your Council' mixers, clothes swaps and succulent giveaways. Their focus on professional skills development meant that A&D students could access additional curatorial workshops, forums and a greater range of exhibition spaces on campus.

On the advocacy front, the ADSC upheld a unique and regular channel of communication with faculty representatives, the A&D student body, Arc and their Dean. They embarked on an especial equity focus with their lobbying efforts, which saw mobility access to the library positively improved with a lift being installed in 2016. Working closely with their faculty management, they sought to expand their student services equity directory and formalise a complaints system for equity issues with the university. And the ADSC worked tirelessly to amplify the student voice with their art school counterparts during the proposed merger of A&D with the National Art School and Sydney College of the Arts. They liaised regularly with faculty management and students to ensure all student concerns and questions were being heard and addressed, which successfully resulted in the merger not moving ahead for the A&D campus. They still stand in solidarity with their SCA peers.

The Inter-Residential Council also provided a tonne of fun and sporting and charitable events for its 1500 college residents in 2016. The Boys and Girls Inter-College Sports Championship saw 9 sports played across the year including tennis, soccer, waterpolo and basketball and their triumphs were celebrated at a Combined Band Night and Sports Award event last October. The fun continued with an inaugural inter-college Toga dance off and a successful inaugural inter-college Debating Tournament filled with lots of wit and banter. Clothes swaps, sleep outs on the Library Lawn and bake sales were held to support local charities and mental health was an especial focus during an organised awareness week. Collegians also flexed their brains in an inter-college pitch off that offered valuable and innovative solutions to the global sustainability dilemma.

## Arc Board

After implementing Affirmative Action on Arc Board in 2016, we saw the number of talented women at the governing table swell to 7 out of 15, including women of different ethnicities, backgrounds and academic studies. This was a substantial improvement up from 5 able women the year prior and 3 the year before that. The overall composition of the Board currently is as diverse and adequately equipped in skillset, expertise, academic interests and life experience

as its ever been, boding Arc and its members well in its strategic decision making and guiding the organisation towards the fulfilment of its student life mission.

2016 for the Board was also a year of constant learning and training in all matters finance, audit and risk, strategy and nominations and remunerations to shore up and hone the talents of student directors to effectively discharge their directors duties and fiduciary obligations to the organisation. There was sustained mentoring given by more experienced members of the Board and a constant dialogue was maintained about student wellbeing, equity, access and the quality of student support services at university.

Notably, the Board implemented a skills matrix to assess board composition, approved updates to Arc's Whistleblower policy, oversaw a number of positive updates to Student Council Charters, and in conjunction with management executed a business continuity plan. The Board also passed regulations changes concerning student elections, clarifying the content and requirements for student elections. In doing so, the Board balanced dissuading a win at all costs attitude and harsh penalty requirements with provisions that allowed for an enhanced democratic process that acted as a better conduit for candidates in promoting their vision and passion and better reflected the preferences of voting students.

The Board continued to track the progress of the Greenhouse and the Roundhouse re-development and the Student Development Committee, freshly imbued with new clubs affiliation responsibilities, heard and decided a number of appeals. There was also pause to strategically think about changes to the academic calendar and Arc's delivery on an enhanced student experience, an evaluation about Board process and future funding agreements with the university. Discussions and actions were aplenty about supplementing Arc's strategy with a greater concurrent focus on wellbeing and succession planning for the organisation. Collaborative efforts were undertaken to ensure Student Council effectiveness and Office Bearer accountability across the board and this resulted in more effective reciprocal engagements with our student leaders and advocates on these councils to inform our assessments on student life and decision making.

We thanked and farewelled Brooke Griffin, a UNSW Director, and the two outgoing student council presidents Sophie Johnston and Nina Teraganova from the Board. In their stead we welcomed the talents of student Presidents Aislinn Stein-Magee and Jane Aslanidis and UNSW Director Aaron Magner. The Board also reappointed Amanda Young and Aaron Magner for another 2 year term based on the expertise and insight they bring from their time spent at UNSW, in governance, social welfare services and sustainability, working in various roles with diverse societal groups and in audit and risk settings.

Various student Board Directors have also contributed a significant amount of time, insight into student life at UNSW and their experiences as part of Arc@UNSW to our student equivalent counterparts at Arizona State University and Kings College London under a global, tri-university academic and research alliance, known as the PLuS Alliance. Our student Board Directors are assisting to shape the student experience for academic programs and student exchange

under this Alliance and the maintenance of this global student dialogue about best practice and programs has been invaluable in enhancing the perspective on our Board and what Arc and our university can celebrate or could do better to create the best possible student life.

## Final Words

2016 finished on a number of strong and resonant notes as Arc continued to invest in maximising the student experience. It's been a magical and wonderful two years and I thank our student members and the Board for allowing me to humbly serve on the Board and as Chair in the past year. The learning and personal development has been nothing but fast, furious and invaluable and there is an incalculable fulfilment in constantly living and breathing student life and being part of making impactful contributions towards improving it.

Arc is an organisation that has an unparalleled dynamic and rewarding culture. We are proud that Arc reinforces an extraordinarily high standard of governance that continually outstrips other company boards composed of directors with significantly more experience. Accordingly, it would be remiss of me not to thank my fellow Board directors for their support, time, hard work and contagious energy in every thing they do. They have brought a diverse skill set and unique, perceptive and well-articulated insights and it leaves one with nothing but constant admiration of their many talents.

These sincere thanks are extended to the CEO and the generous and supportive staff at Arc who make the organisation what it is. I eagerly await hearing about the inordinate amount of successes Arc achieves for students in the years to come.

All the best,

**Tina Zhou**

Chair of the Board



Quadrangle  
Lawn

SPRING  
FEST

ATC

# Board of Directors

## DIRECTORS AS AT 31 DECEMBER 2016



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



**Tina Zhou**  
Chair of the Board  
Student Director



**Kynan Newsan**  
Alumni Director



**Tom Morrison**  
Student Director



**Amanda Young**  
Alumni Director



**Steven Tropoulos**  
UNSW Director



**Ashna Basu**  
Student Director



**Roanize Kruger**  
Student Director



**Erin Bailey**  
Student Director



**Edward Bartolo**  
Student Director



**Audrey Marsh**  
Student Director



**Joshua Sun**  
Student Director



**Aaron Magner**  
UNSW Director



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



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

## OUTGOING DIRECTORS



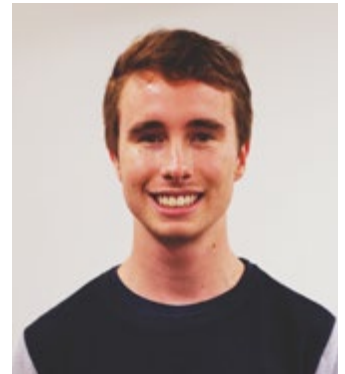
**Melissa-Ann Gillies**  
Student Director



**Brooke Griffin**  
UNSW Director



**Bart Oswald**  
Student Director



**Mitchell Wilson**  
Student Director



**Sophie Johnston**  
Student Representative Council  
(SRC) President



**Nina Teroganova**  
Postgraduate Council  
(PGC) President

# Directors' Report

The directors present their report, together with the financial statements, on Arc @ UNSW Limited (the 'company') for the year ended 31 December 2016.

## 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
Kynan Newswan
Tom Morrison
Amanda Young
Steven Tropoulos
Ashna Basu
Roanize Kruger
Tina Zhou
Erin Bailey <i>Appointed on 27 June 2016</i>
Edward Bartolo <i>Appointed on 27 June 2016</i>
Audrey Marsh <i>Appointed on 27 June 2016</i>
Joshua Sun <i>Appointed on 27 June 2016</i>
Aaron Magner <i>Appointed on 31 August 2016</i>
Jane Aslanidis <i>Appointed on 1 December 2016</i>
Aislinn Stein-Magee <i>Appointed on 1 December 2016</i>
Sophie Johnston <i>Resigned on 30 November 2016</i>
Nina Teroganova <i>Resigned on 30 November 2016</i>
Brooke Griffin <i>Resigned on 28 June 2016</i>
Melissa-Ann Gillies <i>Resigned on 27 June 2016</i>
Mitchell Wilson <i>Resigned on 27 June 2016</i>
Bart Oswald <i>Resigned on 27 June 2016</i>

## 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 White House;
- › **Publications** - Blitz, Tharunka, UNSWeetened and International Cookbook;
- › **Clubs and Societies Facilities** - Computer labs, rooms for hire, 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 has resulted in the Roundhouse being non-operational. It will be non-operational for a period of 12 to 18 months.

## 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	<b>MMGT (Macq), AMP (Wharton, UPenn)</b> Brad is the Chair of Lifeline Macarthur.	None
Kynan Newsan	Alumni Director	<b>BComm (Hons I) (UNSW), MBA (Exec) (AGSM UNSW)</b> 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
Tom Morrison	Student Director	Tom is a 6th year Bachelor of Medical Studies/Doctor of Medicine Student at the University of New South Wales and a Graduate of the Australian Institute of Company Directors. He is the Chair-elect of the Board of the Australian Medical Student's Association where he has previously served as National Treasurer and as a director since 2014. Tom is currently the Deputy Dean of Basser College at the University of New South Wales and has previously been a member of the Australian Medical Council's Medical Schools Accreditation committee (2015-2016), the UNSW Academic Board (2015) and President of the UNSW Inter-Residential Council (2013).	Chair of the Board (June 2015 – May 2016)
Amanda Young	Alumni Director	<b>B Soc Work</b> 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, Executive Director and has managed more than 1,000 staff and budgets of over \$1b. She currently holds the position of Executive Director South Western Sydney, NSW Department of Family and Community Services.	None
Steven Tropoulos	UNSW Director	<b>B.Comm (Accounting, Finance, Commercial Law) USyd, CA (Graduate Diploma of Chartered Accounting), F.Fin (Graduate Diploma in Applied Finance and Investment)</b> 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 18 years' experience across public and private sectors in the areas of accounting, financial analysis, portfolio management and property development.	None
Ashna Basu	Student Director	Ashna is a 5th year Bachelor of Medical Studies/Doctor of Medicine Student, and President of the NSW Medical Students' Council. She has previously sat on the Australian Medical Students' Association's National Advocacy Team as the NSW Representative. She has a special interest in mental health, having had her psychiatric research both published and accepted for conference presentations.	Student Development Committee Convenor (June 2016 – May 2017)
Roanize Kruger	Student Director	Roanize is currently undertaking a Bachelor of Law/Fine Arts. She has been involved with Arc as a volunteer through programs such as UNSweetened and is also currently a Student Ambassador for UNSW.	Honorary Treasurer (June 2015 – May 2016), Chair of Nominations & Remuneration Subcommittee (June 2016 – May 2017)

Name	Title	Qualifications & Experience	Special responsibilities
<b>Tina Zhou</b>	Student Director	Tina is a Bachelor of Arts/Law student. She has recently completed the AICD Company Director's course and has previously served as a member of the UNSW Academic Board, Law Faculty Board and as a SRC Councillor. She holds an ex-officio position on UNSW's Equity, Diversity and Inclusion Board and Business Continuity Committee. Tina has been involved as an Arc CONTACT volunteer, Capital W Women's Business Society, Arts Society, Business Society and UN Society (2014) and is also an active contributor to the UNSW Law Society (2013 - 2016).	Chair of Student Strategy Subcommittee ( June 2015 - May 2016), Chair of the Board (June 2016 - May 2017)
<b>Erin Bailey</b> (appointed on 27 June 2016)	Student Director	Erin is an International Studies/Law student. She has been involved with Arc as a volunteer through a number of different programs including Yellow Shirts, Event Horizon and CONTACT 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 is also currently a Student Ambassador for UNSW	None
<b>Edward Bartolo</b> (appointed on 27 June 2016)	Student Director	Edward is a Commerce/Science student at UNSW. He is currently a Resident Fellow at Goldstein College. In his time at UNSW he has 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)
<b>Audrey Marsh</b> (appointed on 27 June 2016)	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)
<b>Joshua Sun</b> (appointed on 27 June 2016)	Student Director	Josh is a Bachelor of Engineering/Commerce student. He was previously a member of the UNSW SRC (2016).	None
<b>Aaron Magner</b> (appointed on 31 August 2016)	UNSW Director	<b>B. Econ (Macq), B. Law (Hons 1) (UTS), LL.M. (Corporate and Commercial Law) (UNSW), MEM (UNSW)</b> Aaron is the Director for Safety and Sustainability 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 Touche Tohmatsu, 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 an occasional university tutor and lecturer. He is the staff representative on the UNSW University Council and a member of the UNSW Audit Committee.	None
<b>Jane Aslanidis</b> (appointed on 1 December 2016)	Postgraduate Council President	<b>BComm (Economics, International Business) (UNSW)</b> Jane is a Master of International Relations student. She has over 6 years consulting experience across strategic advisory, economics and innovation.	None
<b>Aislinn Stein-Magee</b> (appointed on 1 December 2016)	Student Representative Council President	Aislinn is a member of the National Executive (NX) for the National Union of Students (NUS) and was the 2016 SRC Education Officer	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	8	8
Kynan Newswan	8	8
Tom Morrison	8	8
Amanda Young	8	8
Steven Tropoulos	6	8
Ashna Basu	5	8
Roanize Kruger	7	8
Tina Zhou	8	8
Erin Bailey *	4	4
Edward Bartolo *	4	4
Audrey Marsh	4	4
Joshua Sun *	3	4
Aaron Magner *	3	3
Jane Aslanidis *	-	-
Aislinn Stein-Magee *	-	-
Sophie Johnston **	8	8
Nina Teroganova **	7	8
Brooke Griffin **	3	5
Melissa-Ann Gillies **	4	4
Mitchell Wilson **	4	4
Bart Oswald **	4	4

## 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 \$30,726, based on 30,726 current ordinary members.

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

\* Appointed during the year

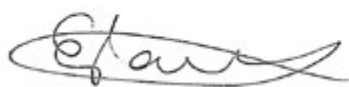
\*\* Resigned/concluded their term during the year

## 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



**Edward Bartolo**  
Honorary Treasurer

5 April 2017  
Sydney



**Audrey Marsh**  
Director

**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 2016, 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.



C I CHANDRAN  
PARTNER

PITCHER PARTNERS  
SYDNEY

5 April 2017

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>Revenue</b>	4	9,400,989	10,763,998
<b>Expenses</b>			
Food, beverage and other purchases		(1,393,892)	(1,843,471)
Sports operation expense		(742,062)	(852,589)
Employee benefits expense		(5,358,633)	(5,784,576)
Depreciation and amortisation expense	5	(379,023)	(399,898)
Marketing		(361,686)	(442,646)
Membership		(65,377)	(3,777)
Administration		(641,826)	(631,219)
Utilities		(85,450)	(150,900)
Security		(210,531)	(280,647)
Rental, hire, finance lease		(308,069)	(326,134)
Other expenses		(1,313,456)	(1,303,061)
<b>Deficit before income tax expense</b>		<b>(1,459,016)</b>	<b>(1,254,920)</b>
Income tax expense		-	-
<b>Deficit after income tax expense for the year attributable to the members of Arc @ UNSW Limited</b>	<b>16</b>	<b>(1,459,016)</b>	<b>(1,254,920)</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>(1,459,016)</b>	<b>(1,254,920)</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 AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,529,656	5,587,446
Trade and other receivables	7	1,441,453	1,425,595
Inventories	8	241,716	352,690
<b>Total current assets</b>		<b>7,212,825</b>	<b>7,365,731</b>
<b>Non-current assets</b>			
Trade and other receivables	9	3,568,888	4,466,666
Property, plant and equipment	10	1,001,495	1,301,048
Intangibles	11	156,050	140,870
Other	12	1,200	1,200
<b>Total non-current assets</b>		<b>4,727,633</b>	<b>5,909,784</b>
<b>Total assets</b>		<b>11,940,458</b>	<b>13,275,515</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	549,784	479,668
Employee benefits	14	384,913	332,248
Deferred revenue	15	62,703	61,525
<b>Total current liabilities</b>		<b>997,400</b>	<b>873,441</b>
<b>Total liabilities</b>		<b>997,400</b>	<b>873,441</b>
<b>Net assets</b>		<b>10,943,058</b>	<b>12,402,074</b>
<b>Equity</b>			
Retained surpluses	16	10,943,058	12,402,074
<b>Total equity</b>		<b>10,943,058</b>	<b>12,402,074</b>

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 2016**

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2016	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	-	-
<b>Total comprehensive income for the year</b>	<b>(1,254,920)</b>	<b>(1,254,920)</b>
<b>Balance at 31 December 2016</b>	<b>12,402,074</b>	<b>12,402,074</b>

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
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	-	-
<b>Total comprehensive income for the year</b>	<b>(1,459,016)</b>	<b>(1,459,016)</b>
<b>Balance at 31 December 2016</b>	<b>10,943,058</b>	<b>10,943,058</b>

*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 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from sale of goods and other		7,579,064	9,735,881
Receipts from membership		6,693	5,808
Receipts from UNSW service agreement		3,422,424	3,371,846
Payments to suppliers and employees		(11,070,066)	(12,702,047)
Interest received		130,905	131,838
<b>Net cash from/(used in) operating activities</b>		<b>69,020</b>	<b>543,326</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(71,820)	(212,057)
Payments for intangibles		(54,990)	(88,686)
<b>Net cash used in investing activities</b>		<b>(126,810)</b>	<b>(300,743)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash from financing activities</b>		-	-
Net increase/(decrease) in cash and cash equivalents		(57,790)	242,583
Cash and cash equivalents at the beginning of the financial year		5,587,446	5,344,863
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>5,529,656</b>	<b>5,587,446</b>

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

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

### 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 5 April 2017. 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 '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 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.

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

## NOTE 4. REVENUE

	2016 \$	2015 \$
<b>Sales revenue</b>		
UNSW service agreement funding	3,422,424	3,371,846
Sale of goods	2,929,425	3,653,121
Rental, venue hire, amusements	525,304	997,990
Sponsorships	464,524	519,552
Membership	6,693	5,808
Academic dress hire	355,437	395,647
Sports game and booking income	727,057	700,355
	<b>8,430,864</b>	<b>9,644,319</b>
<b>Other revenue</b>		
Management fees	372,000	552,000
Interest	130,905	131,838
Other revenue	467,220	435,841
	<b>970,125</b>	<b>1,119,679</b>
<b>Revenue</b>	<b>9,400,989</b>	<b>10,763,998</b>

## NOTE 5. EXPENSES

	2016 \$	2015 \$
Deficit before income tax includes the following specific expenses:		
<b>Depreciation and amortisation</b>		
Leasehold improvements	91,956	90,950
Furniture and fittings	157,143	156,545
Motor vehicles	40,987	44,599
Computer equipment	35,257	44,620
Academic dress	13,870	13,853
Software	39,810	49,331
	<b>379,023</b>	<b>399,898</b>
Rental expense relating to operating leases		
	<b>173,836</b>	<b>171,221</b>

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2016

**NOTE 6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	2016 \$	2015 \$
Cash on hand	2,569	9,872
Cash at bank	340,090	1,109,846
Cash on deposit	5,186,997	4,467,728
	<b>5,529,656</b>	<b>5,587,446</b>

**NOTE 7. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES**

	2016 \$	2015 \$
Trade receivables	367,861	324,036
Less: Provision for impairment of receivables	(20,441)	-
	<b>347,420</b>	<b>324,036</b>
Other receivables	-	4,894
Receivable from UNSW, net present value	875,556	866,667
Prepayments	218,477	229,998
	<b>1,441,453</b>	<b>1,425,595</b>

The weighted average discount rate used to determine the present value for the receivable from UNSW was 2.03% (2015: 2.58%).

**NOTE 8. CURRENT ASSETS - INVENTORIES**

	2016 \$	2015 \$
Finished goods - at cost	241,716	352,690

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

	2016 \$	2015 \$
Trade receivable - long term	90,222	137,333
Receivable from UNSW, net present value	3,478,666	4,329,333
	<b>3,568,888</b>	<b>4,466,666</b>

The weighted average discount rate used to determine the present value for the receivable from UNSW was 2.03% (2015: 2.58%).

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

	2016 \$	2015 \$
Leasehold improvements - at cost	921,135	909,498
Less: Accumulated depreciation	(436,403)	(345,698)
	<b>484,732</b>	<b>563,800</b>
Furniture and fittings - at cost	3,732,144	3,806,232
Less: Accumulated depreciation	(3,396,102)	(3,319,520)
	<b>336,042</b>	<b>486,712</b>
Motor vehicles - at cost	242,174	242,174
Less: Accumulated depreciation	(143,012)	(102,025)
	<b>99,162</b>	<b>140,149</b>
Computer equipment - at cost	931,210	922,592
Less: Accumulated depreciation	(892,844)	(869,046)
	<b>38,366</b>	<b>53,546</b>
Computer equipment - leased	253,734	253,734
Less: Accumulated depreciation	(253,734)	(253,734)
	-	-
Academic dress - at cost	138,745	139,727
Less: Accumulated depreciation	(95,552)	(82,886)
	<b>43,193</b>	<b>56,841</b>
	<b>1,001,495</b>	<b>1,301,048</b>

**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 2016	563,800	486,712	140,149	53,546	56,841	1,301,048
Additions	14,638	35,844	-	21,116	222	71,820
Disposals	(1,750)	(29,371)	-	(1,039)	-	(32,160)
Depreciation expense	(91,956)	(157,143)	(40,987)	(35,257)	(13,870)	(339,213)
<b>Balance at 31 December 2016</b>	<b>484,732</b>	<b>336,042</b>	<b>99,162</b>	<b>38,366</b>	<b>43,193</b>	<b>1,001,495</b>

**NOTE 11. NON-CURRENT ASSETS - INTANGIBLES**

	2015 \$	2015 \$
Software - at cost	735,749	680,759
Less: Accumulated amortisation	(579,699)	(539,889)
	<b>156,050</b>	<b>140,870</b>

**Reconciliations**

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

	Software \$	Total \$
Balance at 1 January 2016	140,870	101,515
Additions	54,990	88,686
Amortisation expense	(39,810)	(49,331)
<b>Balance at 31 December 2016</b>	<b>156,050</b>	<b>156,050</b>

**NOTE 12. NON-CURRENT ASSETS - OTHER**

	2016 \$	2015 \$
Unlisted shares - at cost	1,200	1,200

**NOTE 13. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES**

	2016 \$	2015 \$
Trade payables	203,353	76,770
Other creditors and accruals	342,793	402,898
Other payables	3,638	-
	<b>549,784</b>	<b>479,668</b>

**NOTE 14. CURRENT LIABILITIES - EMPLOYEE BENEFITS**

	2016 \$	2015 \$
Employee benefits	384,913	332,248

**NOTE 15. CURRENT LIABILITIES - DEFERRED REVENUE**

	2016 \$	2015 \$
Deferred revenue	62,703	61,525

**NOTE 16. EQUITY - RETAINED SURPLUSES**

	2016 \$	2015 \$
Retained surpluses at the beginning of the financial year	12,402,074	13,656,994
Deficit after income tax expense for the year	(1,459,016)	(1,254,920)
<b>Retained surpluses at the end of the financial year</b>	<b>10,943,058</b>	<b>12,402,074</b>

**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 2016 was 30,726 (2015: 24,422).

**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:

	2016 \$	2015 \$
<b>Aggregate compensation</b>	<b>770,088</b>	<b>826,372</b>

**NOTE 19. CONTINGENT LIABILITIES**

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

	2016 \$	2015 \$
Bank guarantee - White House	12,833	12,833
Bank guarantee - Corner House Café	-	27,500
	<b>12,833</b>	<b>40,333</b>

**NOTE 20. COMMITMENTS**

	2015 \$	2014 \$
<b>Lease commitments - operating</b>		
<b>Committed at the reporting date but not recognised as liabilities, payable:</b>		
Within one year	194,193	195,151
One to five years	434,402	592,722
More than five years	-	44,714
	<b>628,595</b>	<b>832,587</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 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**

No matter or circumstance has arisen since 31 December 2016 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.

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# Directors' declaration

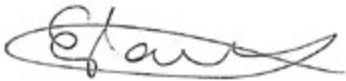
## 31 December 2016

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 give a true and fair view of the company's financial position as at 31 December 2016 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



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**Edward Bartolo**  
Honorary Treasurer



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**Audrey Marsh**  
Director

5 April 2017  
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 2016, 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 2016 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.

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

**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.



C I CHANDRAN  
PARTNER



PITCHER PARTNERS  
SYDNEY

Date: 5 April 2017

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