

# ANNUAL REPORT

31 Dec 2019





# Arc Annual Report 2019





**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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# Arc Chair's Report

**Ben Jones**  
Chair of the Board

2019 was an exciting year for Arc that saw the introduction of a new strategic plan, an immensely successful transition in service delivery to the new university calendar, and the strengthening of relationships both within the university and further abroad.

## New 2019-2022 Strategic Plan

Arc's new Strategic Plan 2019-2022 highlights that Arc remains fiercely committed to its core mission of creating the best student experience for UNSW students. Arc's strategic priorities over the next few years will be:

1. Have the best clubs and volunteering programs in Australia - so that we can ensure all students get the most out of their time at UNSW.
2. Financial sustainability - so that we can ensure Arc continues to deliver new and exciting services long into the future.
3. Culture and reputation - so that we continue to be the best Arc we can be in order to be relevant, responsible and embraced by the UNSW student community.

Underpinning this strategy will be the always important Arc's values; put students first, embrace and drive change, be better, listen, always a team, deliver more, and have some fun. This strategy will be closely monitored by the board over the next few years with yearly initiatives to be set under each priority to ensure that the strategic plan remains relevant to the student body.

## Successful adjustment to UNSW3+

In 2019, Arc was challenged by the biggest ever change to its service delivery calendar. Fortunately, through the tireless hard work and innovative thinking of the staff team, Arc was able to go from strength to strength with the new calendar. Into 2020 Arc aims to make further tweaks to our delivery calendar to ensure all UNSW students can engage when and where they want to.

## Relationships

Throughout 2019 Arc continued to work closely with UNSW. This ever strengthening relationship is critical in ensuring that student voices are embedded in key decisions that may impact students. Particularly important in this advocacy branch of Arc are the SRC and PGC, I commend Angela Griffin and Gaurav Vats and their teams for their utmost hard work on behalf of the student body and passionate advocacy in these university settings.

Another very important part of Arc's journey in 2019 was the establishment of stronger relationships with the local La Perouse Aboriginal community. Arc worked together with current UNSW Indigenous students, Indigenous alumni and members of the La Perouse community in developing our inaugural Indigenous strategy which is due for launch in 2020.

## Board reflections and looking forward

In 2019 Arc saw a relatively new look board continue the tireless work of previous boards. The board was engaged, responsive, forward thinking, and always had the organisation's interests in mind. Particularly, I would like to thank Amanda Young whose term with the board ended in 2019 after many years of thoughtful contributions and mentorship. Further, I would like to thank each board member for their dedication and service to all of Arc's members.

Looking forward, I have absolutely no doubt that the Arc board, the CEO, Shelley Valentine, the amazing staff team and the 30,000+ Arc members will continue to create the best student experience for all the future UNSW students.



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# Chief Executive Officer's Report

**Shelley Valentine**  
Chief Executive Officer



2019 was set against a backdrop of change with UNSW implementing a new calendar system, UNSW3+. Arc focused on ensuring our services, delivery models and programs were adapted and relevant to the new calendar and the emerging new pattern of student engagement; whilst also identifying and capitalising on any new opportunities a term environment offered.

Mid-year, Arc launched a new Strategic Plan, which reconfirmed Arc's commitment to our mission, 'to create the best student life'. The Strategic Plan will guide Arc's focus through to 2022 with initiatives falling under three key strategic priorities as detailed by Ben in the Chair's Report.

Financially our focus was on ensuring the smooth transition of our student offering to the UNSW3+ model, whilst commencing the groundwork to further establish our longer-term revenue capacity. We began to see the commercial potential of The Roundhouse following the substantial investment into the facility made in the year prior. The Roundhouse performance in addition to strong revenue growth in the Grad and Gift Store, resulted in a reduction of the expected negative impact of the year and bettering budget predictions.

Arc continues to develop and deliver an increasingly diverse array of engagement, support and development opportunities for UNSW students. Specific accomplishments of our departments are explored in the following pages; however, I would like to note some highlights. Phil' Arc's Philanthropy Volunteering program continued go from strength to strength, smashing its fundraising target of \$100,000 and raising over \$120,000. Since its inception Phil' has donated over \$300,000 to the Sydney Children's Hospital Child Life or Music Therapy Unit. Arc Sport saw a 20.3% increase in engagement on 2018 and achieved a record equaling 4th National Snow Title in a row. It also wouldn't be an Arc year without our 180 strong Yellowshirt Volunteers leading the orientation experience for all first-year students. 2019 saw Arc expand its orientation week remit assuming management of the Term 3 Orientation Week. We significantly increased our focus on sustainability, trialling several initiatives from centralised waste in offices through to reusable cups for events which has the potential to save up to 100,000 plastic cups per year.

Our programs and initiatives were recognised once again at the Annual Tertiary Access Group Campuslink Awards, taking home the awards for Best Student Publication 'The Student Cookbook', Most Successful Event 'Phil' 24-Hour Fun-A-Thon' and Best New or Refurbished Facility 'The Roundhouse'. We were also highly commended for Most Successful Clubs & Society Event 'Indonesian Night Markets', Most Successful Visual Design 'The Roundhouse Re-Launch', Best Marketing Campaign 'The Roundhouse Re-Launch', Most Successful Sports Initiative 'She Can', Best Staff Training Initiative 'Arc Development Initiatives'.

Our relationship with UNSW continues to be one of a shared belief in the student experience. Our opportunities for partnership and collaboration have substantially grown throughout 2019 and we look forward to continuing our collaborations in 2020. A project we are particularly looking forward to continue to collaborate on is the Village Green Precinct development, currently scheduled for completion in 2021.

The 2019 Arc Board made a substantial impact upon the organisation, driven by a dedicated focus on achieving Arc's mission. I would particularly like to recognise the efforts of Nadhirah Daud and Ben Jones, our previous and current Arc Chair, who have provided immense support and leadership, to both myself and the Board as a whole.

The success of Arc continues to be driven by the passion and dedication of our volunteers, student leaders and staff members. It is through their concerted efforts that Arc is able to make a tangible impact upon the lives of thousands of students. It is an immense pleasure to work with such an exceptional group of people and I look forward to working with them to continue Arc's successes in 2020.





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## VENUE & EVENTS

**Jason Lyons**  
Head of Venue & Events

### Roundhouse

Commercially the Roundhouse has had an exceptional year. The diversity of venue usage has been most pleasing; from concerts and gigs, to conferences and community events. This diversity serves to future-proof revenue by easing reliance on any one industry sector, providing the base required to continue to expand our offering to clients, and grow into new markets in 2020. The Roundhouse Events team have worked tirelessly to build new client relationships, generate repeat bookings, as well as attract new clientele through marketing platforms and industry conventions.

The student entertainment program was focused on delivery and adaptability in 2019. In addition to delivering a core offering of session parties, free live music in the beer garden, and a program of free weekly activities in the bar for students, we actively engaged with Student Clubs to invite usage and increase awareness of Roundhouse spaces. This initiative was successful, with multiple Clubs booking the Roundhouse through 2019 for small social events in the rooms and bars, as well as larger scale Club events in the main atrium.

2019 saw an increased interest in live music in the beer garden, harnessed by well-curated line-ups and greater connection with UNSW students (e.g. inclusion of college bands into the UNSW Band Competition). Adaptability has been essential in responding to the altered patterns of students on campus in the UNSW3+ environment. Key learnings such as student preference for larger scale one-off events, and greater engagement opportunities in the first half of each term, were influential in Q3 and Q4, and will carry forward into the student entertainment program for 2020.

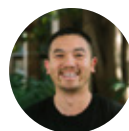
The primary drivers for Food (Thirsty Burger) & Beverage (Uni Bar) are atmosphere, affordability for students, and the ability to leverage off commercial event bookings. In Q4 Thirsty Burger developed and successfully trialled a corporate menu which will receive a wide rollout in 2020.

Both Uni Bar and Thirsty Burger made great leaps forward in 2019 towards more sustainable practices, with the implementation of organic waste recycling, a contract with an external supplier for can and bottle collection and a hired bottle crusher on site. The focus on sustainability will continue to be priority; kicking off with the 2020 initiative to remove all single use cups from Roundhouse in favour of reusable cups at large-scale events.

### The Whitehouse

The retail environment on campus is challenging and competitive. The downturn in foot traffic with the implementation of the new calendar has been felt by all outlets across the UNSW campus, and the Whitehouse was not immune from these difficult trading conditions. While trade held consistently strong during the middle of the day, mornings and evenings performed poorly.

In Q4 a Whitehouse Design Forum was conducted, involving wide consultation with students and Arc staff to assess the current offering and brainstorm potential developments. This has led to a change in direction for 2020; the Whitehouse will move away from being a cocktail bar with a wide-ranging menu, and towards targeted food and beverage offerings. It will also see a revamped upstairs decor to encourage greater use by students and use by Arc programs, and a focus on affordability, accessibility and improved service times.



## STUDENT ENGAGEMENT

**James Yau**  
Director of Student Engagement

### Clubs

Clubs continue underpin student engagement providing a substantive and valuable community for UNSW students. In 2019, Arc supported over 300 student Clubs. The Clubs team facilitated 2,740 Club grant applications, Executive training for over 2000 students and welcomed 26 new Clubs to the community.

A key focus of 2019 was increasing the support available to Clubs. Additional resources were developed and made available to Club Executives in key areas such as grievances and equity and diversity. Compulsory Grievance Officer requirements were rolled out to all Clubs and support was provided for Clubs to implement additional executive roles such as Women's Officer, Cultural Inclusion Officer and EDI Officer. These resources will assist Clubs to better respond to issues and feedback, as well as to be more proactive in creating an inclusive environment for our diverse student population.

The newly introduced Clubs Leadership Summit aimed to enhance the Club Executive network, developing their ability to run larger, more engaging Clubs and Club activities, increase collaboration opportunities and ultimately to become better student leaders.

### Volunteering

In 2019, Arc Volunteering continued to provide a diverse range of volunteering opportunities to UNSW students across its programs.

Approximately 2,000 students registered for the 35 Arc Goes To... trips that we ran in 2019, with many returning to attend multiple trips and contribute to the community. Culture Café expanded into a regular series of fortnightly casual English conversation sessions, with 180 students attending. Walama Muru travelled to Jubullum Village, and in addition to the cultural exchange, volunteered to clean the local community hall and early childhood play area, as well as design and paint a mural.

Arc's Wellness and Sustainability initiatives not only expanded to run across all three terms, but reached significantly more students, with Stress Less Week engaging over 26,000 students across the year. Whether through the numbers of students utilising our services (such as Bike-ology's bikes workshops and the Stationery Reuse Centre), or through activations and events (such as Random Acts of Kindness) we have engaged 75% more students over the course of the year.

The Phil' program continued to exceed expectations. Over 275 Phil' Fun-a-thon participants surpassed the initial target of \$100,000 raising over \$120,000 for the Sydney Children's Hospital Foundations Child Life & Music Therapy through raffles, bake sales, barbecues, Charity Concert, City2Surf, Pedal4Kids, Phil' 24 Hour Fun-A-Thon and more.

As ever, our O-Week festivities continue to be one of the biggest in the Southern Hemisphere. In 2019, Arc launched an additional orientation experience for the Term 3 incoming student cohort, the success of which has secured the expansion of Arc-run orientation events for both T2 and T3 moving into 2020.







## Art & Design

In 2019 Arc @ A&D continued its commitment to student engagement by offering a program of 67 exhibitions across three exhibition venues: AD Space, Kudos Gallery and the Three Foot Square; hosted 24 public programs ranging from artist talks to professional development workshops; supported 355 artists, designers, writers and curators across all of our exhibitions and public programs; welcomed 6000+ visitors through the doors of our galleries; and mentored 76 student volunteers in Art & Design grants, gallery operations and programming, writing for the arts and extra-curricular activities.

Arc @ A&D continued our Brightside artistic mentoring program, Art & Design Grants for extracurricular projects, Kudos Emerging Artist and Designer Award, Kudos Early Career Curator Award, Kudos X Framework Emerging Critics Award, Mural Project on campus and A&D Writers program - Framework and Arcadia.

Along with keeping consistent engagement with our community at Paddington campus, 2019 also saw Arc @ A&D recalibrate one of its longest running and oldest programs, The Green House Residency - now 'AiR: Artist in Residence Program'. AiR now offers a more enriched student experience where artists, designers writers and curators are fully subsidised in travel, accommodation, receive an artist fee and are supported by a full time Arc staff member to undertake their residency at Fowlers Gap, Broken Hill and the surrounding areas. The program offers students the opportunity to establish new networks, new peer relationships, potential for ongoing projects, time to do field work and increase their knowledge and understanding of their creative practices and the local area. The new design of AiR is to encourage students to undertake opportunities outside of their comfort zone, away from their daily routine and to create greater access to the program for students from diverse backgrounds.

Additionally, 2019 also introduced the Art & Design community to Movement Labs; a workshop series aimed at teaching artists and designers how to use movement and their bodies as material. This workshop was developed to fill the gap where performance art was once taught at UNSW A&D and to help students develop an awareness of what an accessible and sustainable arts practice can look like.

## Arc Sport

Arc Sport surpassed all targets in 2019, achieving an overall increase in sport engagement of 20.3%.

Arc Sport Club engagement remained high with 39 affiliated Sport Clubs, demonstrating strong participation in O-Week and various Arc Sport events. Arc Sport actively supports Clubs to maintain a strong focus on entry pathways for UNSW students and pleasingly 2019 saw an increase in both Club beginner events, trials and excursions. In 2020, a new funding model will be introduced to the Sport Clubs which should assist in further growth of UNSW students.

2019 saw all programs adapted to the new UNSW3+ calendar, including morphing our three-day "Festival of Sport" event into a single "Day of Play" event across T1, T2 and T3. Day of Play continued to demonstrate a taster of all Arc Sport's offerings, while also introducing a collaboration with Arc Clubs by adding Wellness and Yoga to the event. SHE CAN continues to grow in numbers with over 1,600 female-identifying UNSW students engaging in the program. The social sport and dance programs remained popular with an increase of 26% in UNSW student participation.

Managing #TeamUNSW continued to be a focus with 522 students representing UNSW through participation in UniSport Nationals events. The highlight of the year was the UNSW Snow Team winning the overall Championship for the fourth year in a row. Over 70 students also competed in various Intervarsity events against other local universities, including Rugby League and Oz-Tag.

2020 will see Arc Sport's traditional activation space (The Village Green) decommissioned, to make way for a new state-of-the-art Sport and Recreation precinct. While under construction, the home of Arc Sport will temporarily move to the Alumni Lawn, alongside pop-up spaces across UNSW. Arc Sport is prepared for the challenge ahead, and excited to continue to grow the presence of Sport and activity in the lives of students at UNSW.



## MEMBERSHIP & MARKETING

**Mitchell McBurnie**

Membership & Marketing Manager

### Membership

Arc Membership continued to be the centrepiece of the exceptional Arc student experience in 2019. While the raw membership numbers were slightly down compared to 2018, satisfaction remained high (94%), as did intention to renew (99%), with participation levels also performing well across all demographics.

A highlight of the year was the migration Arc Membership database to Salesforce (SpArc for students) which enhanced the digital interface and successfully funnelled more students to Clubs and Volunteering. The platform serves as a powerful CRM tool to allow more targeted delivery of information and services to members. Staff can now activate Arc student memberships from an administrator mobile application which decreased wait times by up to 40%.

The membership offering was spearheaded by the second iteration of the Arc 'UNI YOUR WAY' campaign, unifying our value proposition (Clubs Your Way, Volunteer Your Way, Sport Your Way, Art & Design Your Way, Postgrad Your Way, Help Your Way, Wellness Your Way).

### Marketing

The promotion of all initiatives from across the organisation continues to be driven by Arc Marketing, ensuring that the right messages arrived at the right audiences at the right time. The creative studio captured and executed more than 1,000 individual marketing jobs with thousands more pieces of collateral designed with flair and purpose. Engaging, video-first campaigns were delivered for new identities like CultureFest, Foundation Day, GreenFest and more.

Arc celebrated many metric successes throughout the year: the Arc website achieved 1.2 million views; Arc Facebook followers grew to 30,000; and Arc Instagram grew to 5,200 followers. These results reflect a determination to deliver exceptional omni-channel marketing that enhances the vibrant Arc brand at every opportunity.



## LEGAL & ADVOCACY

**David Loonam**

Legal & Advocacy Manager

In 2019, Arc's Legal & Advocacy service saw a noticeable rise in student engagement, with 1211 new student inquiries and a total of 2078 appointments, phone and email advices. There was a significant rise in the requests for visa and migration advice and a high awareness of this service across campus, evidenced by 114 consultations this year compared to 44 in 2018, with demand continuing to rise.

The greatest rise has been in the area of complaints and appeals, a broad category including academic suspension and exclusion cases. This is attributable in part to the introduction of the UNSW3+ academic calendar and the issues it raised, some of which were anticipated and others not. Three academic suspension/exclusion periods over the year has meant a substantial rise in students needing to make a case to continue their studies.

In 2019 we participated in valuable university-led work on the exploitation of international students in the housing market and the workplace. There are exciting projects underway in this area and we are excited for the opportunity to work closely with UNSW and other agencies in sharing information, strategies and resources to combat these problems.



## BUSINESS ADMINISTRATION

**Nitasha Prasad**

Director of Business Administration

### Governance

2019 was another successful year for the department in terms of governance and processes. All key deadlines were met, and the organisation complied with all relevant statutory obligations.

### Building Services

The Building Services team had an outstanding financial year with significant savings made against budget at year end. The team focused upon reviewing and reducing contractual obligations and cost savings driven through bulk purchasing and alternative product research.

The team completed over 170 maintenance requests; more than double compared to 2018, while continuing to maintain the day-to-day operational requirements of the organisation.

### Information Technology

In 2019 the IT department delivered a number of successful projects; implementation of a new offboarding process, introduced a new IT disaster recovery plan, upgraded the vast majority of organisational desktops and laptops approaching end of life, replaced a number of old multifunction printers with more efficient models, upgraded end of life inventory and point of sales systems.

A number of savings were achieved by the IT department through re-negotiation of contracts and elimination of unrequired services. The department also closed 1442 helpdesk jobs at year end.



## HUMAN RESOURCES

**Joanna Zolnierkiewicz**

Human Resources Manager

In 2019, we continued our employee focused human resources strategy to support our teams in achieving their respective objectives. We continued to encourage and cultivate a diverse and inclusive workplace for our people to communicate, collaborate and work together in the pursuit of Arc's mission of 'creating the best student experience'.

The ongoing development of our staff and student leaders through formal and informal Learning & Development programs remained at the centre of our people agenda; advancing the organisation's capability, strengthening leadership and contributing to improving UNSW students' skill sets.

Arc was once again recognised by WGEA as an Employer of Choice for the 5th consecutive year. Equal opportunity and inclusion remained the essential part of Arc's people management practices, we continued to foster inclusivity and ran several initiatives to promote and support our diverse workplace, including expanding our dedicated Diversity and Inclusion website.

The 2019 Culture and Climate Survey received very positive results across all areas. Aiming for even higher employee satisfaction next year, we have assessed the results and responded to the feedback by creating an Arc Culture Team. They have developed several culture enhancing initiatives across 3 areas: Recognition, Technology and Communication, including an anonymous feedback platform and a Recognition Scheme (consisting of both financial and non-financial rewards) to ensure our staff feel rewarded for their efforts and Arc maintains high engagement and employee morale into 2020 and beyond.



## SPONSORSHIP & ADVERTISING

**Nathan Shipp**  
Director of Sales

Sponsorship and Advertising had a challenging year in 2019, finishing the year 12% behind in revenue. There were several reasons for the variance, the primary being adapting to the new UNSW3+ calendar. Key UNSW events now falling outside of the standard university activation period created challenges for our partners who typically roll out across multiple tertiary institutions. This was exasperated in Term 2. Attempts to combat the decline were unsuccessful due to severe weather conditions causing major events to be cancelled. In addition to this, the expected uptake in revenue from the additional 4 weeks of session throughout the year was minimal.

Sponsorship & Advertising are confident that the learnings from UNSW3+ paired with strategically timing our major events combined with new revenue streams will result in the delivery of the 2020 budget.



## RETAIL & VENDING

**Rebecca Southwick**  
Head of Retail & Business Systems

2019 was an exceptional year for The Grad Shop. The new UNSW3+ calendar supported 3 graduation periods, resulting in The Grad Shop facilitating graduation gowns for 10,791 UNSW Students across the year. The increase in graduands and strong merchandise sales resulted in The Grad Shop exceeding set revenue targets and overall contribution.

To further broaden reach, increase revenue, accessibility and leverage digital marketing opportunities a new merchandise e-commerce website was launched in May. This also enabled The Grad Shop to capitalise upon an increased focus on social media and sell via Instagram and Facebook.

Collaborations were a key focus of The Grad Shop's merchandise strategy and included a successful partnership with Under Armour resulting in an extensive co-branded sports range. The Grad Shop continued to work closely with the UNSW Merchandise division, culminating in the execution of a service level agreement mid-year.

2020 will see The Grad Shop focus on enhancing the retail experience, expanded pop-up and temporary installations, new brand activations and marketing campaigns to increase visibility and engagement.



# Board of Directors

DIRECTORS AS AT 31 DECEMBER 2019



**Shelley Valentine**  
Chief Executive Officer  
Director



**Benjamin Jones**  
Chair of the Board  
Student Director



**Manu Risoldi**  
President, Student  
Representative Council



**Aaron Magner**  
UNSW Director



**Brenda Shi**  
President, Postgraduate Council



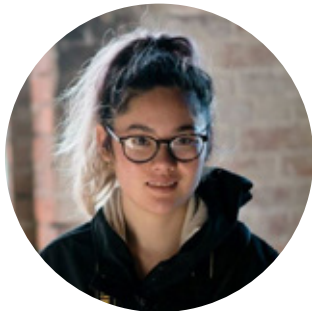
**Jessica Lasky**  
Student Director



**Suwarna Ramanathan**  
Student Director



**Jessica Black**  
Student Director



**Lehan Zhang**  
Student Director



**Jia Wang**  
Student Director



**Leonardo Shaw-Voysey**  
Student Director



**Sahana Nandakumar**  
Student Director



**Benjamin Glover**  
Alumni Director



**Paul Dobing**  
UNSW Director



**Leigh Dunlop**  
Alumni Director





## OUTGOING DIRECTORS



**Nadhirah Daud**  
Chair of the Board  
Student Director



**Amanda Young**  
Alumni Director



**Jason Zabakly**  
Student Director



**Samuel Westley**  
Student Director



**Mia Carey**  
Student Director



**Angela Griffin**  
SRC President



**Gaurav Vats**  
PGC President

# Director's Report



**The directors present their report, together with the financial statements, on Arc @ UNSW Limited (the 'company') for the year ended 31 December 2019.**

## Directors

The directors present their report, together with the financial statements, on Arc @ UNSW Limited (the 'company') for the year ended 31 December 2019.

Shelley Valentine	
Benjamin Jones	
Aaron Magner	
Leigh Dunlop	
Paul Dobing	
Suwarna Ramanathan	
Jessica Lasky	
Jessica Black	
Leonardo Shaw-Voysey	Elected 11 June 2019
Sahana Nandakumar	Elected 11 June 2019
Jia Wang	Elected 11 June 2019
Lehan Zhang	Elected 11 June 2019
Benjamin Glover	Appointed 11 June 2019
Emanuelle Risoldi	Elected 1 December 2019
Xi Shi	Elected 1 December 2019
Angela Griffin	Term concluded 30 November 2019
Gaurav Vats	Term concluded 30 November 2019
Amanda Young	Term concluded 31 May 2019
Nadhirah Daud	Term concluded 31 May 2019
Jason Zabakly	Term concluded 31 May 2019
Mia Carey	Term concluded 31 May 2019
Samuel Westley	Term concluded 31 May 2019

## 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 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.

Director	Title	Qualifications/ Experience	Special Responsibilities
<b>Shelley Valentine</b>	Director, Chief Executive Officer	Shelley has more than 15 years' experience in the Higher Education sector with a particular focus on operations and the student experience.	None
<b>Benjamin Jones</b>	Student Director	Ben is a Medical/Health Management student and UNSW residential colleges staff member. In his time at UNSW he has represented a variety of students in his roles on the UNSW Academic Board, UNSW Faculty of Medicine Board, and the Student Representative Council. He has also worked with Nura Gilli as a supervisor for their Preparatory Program and Winter School Program, and is a tutor for junior medical students. Ben has gained non for profit board experience through his work with similar organisations.	Chair of Audit and Risk Subcommittee (July 2018 - June 2019), Chair of the Board (July 2019 - current)
<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>Leigh Dunlop</b>	Alumni Director	B, Social Science and Policy, B. Psychology (Hons) (UNSW)  Leigh is currently the Head of People and Culture at Future Super, managing the strategic and operational HR outcomes across their Sydney and Canberra offices. She has over 8 years' HR experience, having previously worked at Herbert Smith Freehills in both recruitment and generalist roles, where she was involved in all processes associated with the lifecycle of an employee including remuneration and reward, diversity and inclusion and organisational development. She previously held a Board position with HRMinds, a network that focused on providing support and ongoing professional development to HR professionals in the legal sector.	None
<b>Paul Dobing</b>	UNSW Director	BoMM (UTS), EMPA (ANZSOG), MAICD  Paul is Director of Business IT Services for UNSW IT. He is responsible for the IT Service Management and Vendor Management practices along with IT Governance and Risk, Policy and Business Administration. Paul previously held a number of senior roles within the NSW Public Sector including responsibility for leading programs of reform and delivery for the procurement system of the State. He also held a number of senior roles nationally and internationally for Electronic Data Systems (EDS) and BHP where he developed extensive commercial and supply chain expertise.	None
<b>Suwarna Ramanathan</b>	Student Director	Suwarna is a fifth year medical student from Malaysia. In her time at UNSW, she was heavily involved with the Malaysian community, representing students in her roles as the president of a student NGO charity to welfare director of the Malaysian Student Council of Australia. She was a Student Development Representative for UNSW where she raised funds for the charitable programs supported by the university. She is the co-founder and editor-in-chief of Kopitalk, a mental health website aimed to increase discourse surrounding taboo subjects in the Southeast Asian society as means to reduce causes of mental health disorders. She was also heavily involved in UNSW's first ever ASEAN conference. She is currently a part of UNSW's Public Policy Fellowship Program.	Chair of Nomination and Remuneration Subcommittee (July 2019 - Current)
<b>Jessica Lasky</b>	Student Director	Jessica is in her fifth year of a Bachelor of Commerce and Bachelor of Laws at UNSW. She was employed for three years as a cadet accountant at Deloitte where she assisted in preparing and analysing financial statements for private clients. Jessica has been heavily involved in the UNSW Law Society as Treasurer, Strategic Partnerships Director and Peer Mentor. She has also been involved within Arc Sport being a member of the Nationals netball, basketball and snow games teams.	Honorary Treasurer (July 2018 - Current)

<b>Jessica Black</b>	Student Director	<p>BInst/LLB (UNSW)</p> <p>Jessica is a fourth year Law/Media (PR and Advertising) student, passionate about the UNSW student community and an enthusiastic participant in student events/groups. In 2018, Jessica was a presenter with the Student Legal Education Group and a mentor for the Indigenous pre-law program at UNSW. Jessica would one day like a career in teaching/research in the tertiary sector and focuses on academic success, having been named on the UNSW Law, and Arts and Social Sciences Dean's List in 2017 and 2018 respectively. Outside of UNSW, Jessica is employed in the public sector, working with members of the public in a Sydney cultural institution.</p>	None
<b>Leonardo Shaw-Voysey</b>	Student Director	<p>Leonardo (Leo) is a 3rd year City Planning Student, currently working at Randwick City Council as a Student Strategic Planner. Originally from London and living in East Sydney, Leo is keenly interested in social justice and welfare, being a 2018 youth ambassador for the National Association for the Prevention of Child Abuse and Neglect (NAPCAN). As the Vice President of the UNSW Theatrical Society, Secretary of the Organisation of Planning Students, an active member of the UNSW Queer Collective, and previous UNSW SRC Councillor, he is well engaged with the UNSW Student community, passionate and compassionate about the life and welfare of students.</p>	None
<b>Sahana Nandakumar</b>	Student Director	<p>Sahana is a fourth-year medical student from Sri Lanka who is passionate about student life and engagement in UNSW. She has been involved in multiple student societies with particular interest in empowering women in STEM faculties through the Student Representative Council as well as the Women in Medicine committee. Her interest in writing led her to be a sub-editor of the UNSW Student magazine in 2018 as well as a moderator of the NSW adolescent sexual health website in 2019. She continues to be involved in International Student organisations, within and outside the university and a cultural mentor for young international students.</p>	Convener, Student Development Subcommittee (June 2019-current)
<b>Jia (Annie) Wang</b>	Student Director	<p>Annie is a second year Media (PR &amp; Advertising) student. During her time at UNSW Annie has been passionately involved with the UNSW student community. Since her first year, Annie has been involved with the UNSW Arts Society Council, a constituent society which provides welfare, career, educational and social events for students of the Faculty of Arts and Social Sciences. She has also been involved in the Student Representative Council and currently works in the public sector.</p>	Chair of Audit and Risk Subcommittee (July 2019 - Current)
<b>Lehan Zhang</b>	Student Director	<p>Lehan is a third year data science student. She is an active member of the UNSW community, engaging with societies, faculty and student initiatives. She is passionate about student representation, advocacy for diversity and equality and mental health education and actively works on these areas through her roles as an ambassador for UNSW Founders and teaching &amp; learning for the engineering faculty and as an advisory member to Headspace Camperdown</p>	None
<b>Benjamin Glover</b>	Alumni Director	<p>B. Science (Computer Science) (UNSW), B. Laws (UNSW)</p> <p>Ben is an Executive Director of Macquarie Group. He currently is the global head of structuring for Macquarie's fund finance business within its Commodities and Global Markets Group. Ben has extensive experience in credit risk management, bank regulatory, compliance and capital frameworks, asset management, fund manager due diligence, structured and secured lending, derivatives and cross border finance. Prior to spending the last 13 years at Macquarie, Ben was a lawyer in the banking and finance group of Clayton Utz for 2 years, however he has not maintained his practising certificate.</p>	None
<b>Emanuelle Risoldi</b>	Student Representative Council President	<p>Emanuelle is a third year Social Work and Criminology Student with an avid interest in social justice and public policy. Manu has been heavily involved in the UNSW Labor Club and in 2019 was the General Secretary of the on campus group.</p>	None
<b>Xi Shi</b>	Postgraduate Council President	<p>Xi is a 3rd year PhD candidate of school of Materials science &amp; engineering. She currently serves as the postgraduate representative of EDI committee and has had experience working as the secretary of postgraduate society of materials school (PGSOC) and the women's officer of postgraduate council (PGC) between 2017 and 2019. Apart from that, she is also passionate in doing volunteering work and has been working in the education office of consulate-general of China in Sydney for two years.</p>	None.



## Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2019, and the number of meetings attended by each director were:

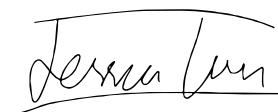
### FULL BOARD

	Attended	Held
Shelley Valentine	7	7
Benjamin Jones	7	7
Aaron Magner	5	7
Leigh Dunlop	7	7
Paul Dobing	6	7
Suwarna Ramanathan	7	7
Jessica Lasky	5	7
Jessica Black	4	7
Leonardo Shaw-Voysey	2	4
Sahana Nandakumar	4	4
Jia Wang	4	4
Lehan Zhang	3	4
Benjamin Glover	4	4
Emanuelle Risoldi	1	1
Xi Shi	1	1
Angela Griffin	5	6
Gaurav Vats	2	6
Amanda Young	2	4
Nadhirah Daud	4	4
Jason Zabakly	4	4
Mia Carey	3	4
Samuel Westley	4	4

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

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

On behalf of the directors



**Jessica Lasky**  
Honorary Treasurer

26 March 2020  
Sydney

## 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 \$24,676, based on 24,676 current ordinary members.

## Auditor's independence declaration

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

## Events after the reporting period

The outbreak of the pandemic Coronavirus (COVID-19) in early 2020 is expected to have an impact on the Company. The disruption to the economy and subsequent government stimulus packages being offered cannot be determined at this time. We are unable to ascertain the potential impact of this event on the Company.

Except for the Coronavirus (COVID-19) and subsequent government actions, the impacts of which cannot be determined on the Company at this time, there has been no matter or circumstance, which has arisen since 31 December 2019 which has significantly affected or which may significantly affect:

- a. The operations, in financial years subsequent to 31 December 2019,
- b. The results of those operations, or
- c. State of affairs, in financial years subsequent to 31 December 2019.



**Annie Wang**  
Director

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**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 2019, 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

26 March 2020

# Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2019



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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
<b>Revenue</b>	<b>4</b>	<b>13,089,037</b>	<b>12,189,015</b>
Interest revenue calculated using the effective interest method		66,088	68,735
<b>Expenses</b>			
Food, beverage and other purchases		(2,177,863)	(1,948,197)
Sports operation expense		(708,438)	(784,018)
Employee benefits expense		(6,509,052)	(6,181,855)
Depreciation and amortisation expense	<b>5</b>	(873,624)	(544,385)
Impairment of receivables	<b>7</b>	(13,225)	(35,124)
Marketing		(343,564)	(319,101)
Membership		(80,748)	(65,433)
Administration		(911,454)	(816,430)
Utilities		(134,123)	(142,300)
Security		(114,549)	(195,797)
Rental, hire, finance lease		-	(267,271)
Low value lease		(71,866)	-
Other expenses		(1,285,890)	(1,336,210)
Finance costs		(28,218)	-
<b>Deficit before income tax expense</b>		<b>(97,489)</b>	<b>(378,371)</b>
Income tax expense		-	-
<b>Deficit after income tax expense for the year attributable to the members of Arc @ UNSW Limited</b>	<b>18</b>	<b>(97,489)</b>	<b>(378,371)</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>(97,489)</b>	<b>(378,371)</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 2019

	Note	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	6	4,325,315	3,798,830
Trade and other receivables	7	739,701	677,063
Inventories	8	365,011	303,374
<b>Total current assets</b>		<b>5,430,027</b>	<b>4,779,267</b>
<b>Non-current assets</b>			
Other financial assets	9	1,200	1,200
Property, plant and equipment	10	1,942,317	2,442,787
Intangibles	11	385,302	-
Work-in-progress	12	212,081	71,051
<b>Total non-current assets</b>		<b>2,540,900</b>	<b>2,515,038</b>
<b>Total assets</b>		<b>7,970,927</b>	<b>7,294,305</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	1,171,877	947,981
Contract liabilities	14	285,708	262,428
Lease liabilities	15	184,297	-
Employee benefits	16	603,829	484,394
<b>Total current liabilities</b>		<b>2,245,711</b>	<b>1,694,803</b>
<b>Non Current liabilities</b>			
Lease liabilities	17	223,203	-
<b>Total non-current liabilities</b>		<b>223,203</b>	
<b>Total liabilities</b>		<b>2,468,914</b>	<b>1,694,803</b>
<b>Net assets</b>		<b>5,502,013</b>	<b>5,599,502</b>
<b>Equity</b>			
Retained surpluses	18	5,502,013	5,599,502
<b>Total equity</b>		<b>5,502,013</b>	<b>5,599,502</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 2019

	Retained surpluses \$	Total equity \$
Balance at 1 January 2018	5,977,873	5,977,873
Deficit after income tax expense for the year	(378,371)	(378,371)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(378,371)	(378,371)
<b>Balance at 31 December 2018</b>	<b>5,599,502</b>	<b>5,599,502</b>

	Retained surpluses \$	Total equity \$
Balance at 1 January 2019	5,599,502	5,599,502
Deficit after income tax expense for the year	(97,489)	(97,489)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(97,489)	(97,489)
<b>Balance at 31 December 2019</b>	<b>5,502,013</b>	<b>5,502,013</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 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from sale of goods and other		9,185,597	8,209,957
Receipts from UNSW service agreement		5,172,986	4,953,414
Payments to suppliers and employees		(13,377,982)	(12,437,347)
Interest received		66,088	68,735
<b>Net cash from operating activities</b>		<b>1,046,689</b>	<b>794,759</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(108,199)	(2,195,455)
Payments for intangibles		(226,910)	-
Proceeds from disposal of property, plant and equipment		-	163,674
<b>Net cash used in investing activities</b>		<b>(335,109)</b>	<b>(2,031,781)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(185,095)	-
<b>Net cash from financing activities</b>		<b>(185,095)</b>	<b>-</b>
Net decrease in cash and cash equivalents		526,485	(1,237,022)
Cash and cash equivalents at the beginning of the financial year		3,798,830	5,035,852
Cash and cash equivalents at the end of the financial year	<b>6</b>	<b>4,325,315</b>	<b>3,798,830</b>

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

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

### 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 26 March 2020. 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The company early adopted AASB 15 'Revenue' in the previous financial year.

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

#### AASB 16 Leases

The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

#### AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

#### Impact of adoption

AASB 16 and AASB 1058 were adopted using the modified retrospective approach. As such, comparatives have not been restated. There is no impact on operating retained earnings as at 1 January 2019 as a result of the adoption of these standards.

#### 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

The company recognises revenue as follows:

### Revenue from contracts with customers

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

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

### Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

### 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 allowance for expected credit losses. 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 allowance for expected credit losses.

### 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. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

### 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.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through 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 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 (to 31 December 2018)

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.

### Right-of-use assets (from 1 January 2019)

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included

in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### 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

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.

### Contract liabilities

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

### Lease liabilities (from 1 January 2019)

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### 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.

### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

### Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

A 5% incremental borrowing rate has been used which is based on what the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain assets of a similar value to the right-of-use assets in a similar economic environment.

## NOTE 4. REVENUE

	2019 \$	2018 \$
<b>Revenue from contracts with customers</b>		
UNSW service agreement funding	4,717,986	4,503,414
Sale of goods	4,009,121	3,719,270
Rental, venue hire, amusements	1,692,377	1,056,889
Sponsorships	676,920	614,053
Academic dress hire	684,179	574,834
Sports game and booking income	547,017	580,895
Management fees	455,000	450,000
	<b>12,782,600</b>	<b>11,499,355</b>
<b>Other revenue</b>		
Other revenue	306,437	689,660
<b>Revenue</b>	<b>13,089,037</b>	<b>12,189,015</b>

### Disaggregation of revenue

The disaggregation of revenue from contracts with customers, in addition to disclosed above, is as follows:

	2019 \$	2018 \$
<b>Major product lines</b>		
UNSW service agreement funding	4,717,986	4,503,414
Sale of goods	4,009,121	3,719,270
Rental, venue hire, amusements	1,692,377	1,056,889
Sponsorships	676,920	614,053
Academic dress hire	684,179	574,834
Sports game and booking income	547,017	580,895
Management fees	455,000	450,000
	<b>12,782,600</b>	<b>11,499,355</b>
<b>Geographical regions</b>		
Australia	<b>12,782,600</b>	<b>11,499,355</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	7,609,614	6,545,941
Services transferred over time	455,000	450,000
Funding recognised on receipt	4,717,986	4,503,414
	<b>12,782,600</b>	<b>11,499,355</b>

## NOTE 5. EXPENSES

	2019 \$	2018 \$
<b>Deficit before income tax includes the following specific expenses:</b>		
<b>Depreciation and amortisation</b>		
Leasehold improvements	93,258	93,257
Furniture and fittings	475,926	334,039
Motor vehicles	4,000	36,942
Computer equipment	22,463	23,580
Academic dress	13,022	15,578
Buildings - right-of-use	179,075	-
Software	85,880	40,989
<b>Total depreciation and amortisation</b>	<b>873,624</b>	<b>544,385</b>
<b>Finance costs</b>		
Interest and finance charges paid/payable on lease liabilities	<b>28,218</b>	

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

	2019 \$	2018 \$
Cash on hand	13,882	9,128
Cash at bank	649,141	877,375
Cash on deposit	3,662,292	2,912,327
	<b>4,325,315</b>	<b>3,798,830</b>

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

	2019 \$	2018 \$
Trade receivables	290,877	283,563
Less: Allowance for expected credit losses	(2,218)	(21,921)
	<b>288,659</b>	<b>261,642</b>
Other receivables	110,759	110,553
Prepayments	340,283	304,868
	<b>739,701</b>	<b>677,063</b>

*Allowance for expected credit losses*

*The company has recognised a loss of \$13,225 (2018: \$35,124) in profit or loss in respect of the expected credit losses for the year ended 31 December 2019.*

## NOTE 8. CURRENT ASSETS - INVENTORIES

	2019 \$	2018 \$
Finished goods - at cost	<b>365,011</b>	<b>303,374</b>

## NOTE 9. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	2019 \$	2018 \$
Unlisted shares - at cost	<b>1,200</b>	<b>1,200</b>

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

	2019 \$	2018 \$
Leasehold improvements - at cost	921,135	921,135
Less: Accumulated depreciation	(716,176)	(622,918)
	<b>204,959</b>	<b>298,217</b>
Furniture and fittings - at cost	5,940,780	5,865,351
Less: Accumulated depreciation	(4,298,625)	(3,822,700)
	<b>1,642,155</b>	<b>2,042,651</b>
Motor vehicles - at cost	135,243	135,243
Less: Accumulated depreciation	(111,443)	(107,444)
	<b>23,800</b>	<b>27,799</b>
Computer equipment - at cost	1,256,694	1,242,640
Less: Accumulated depreciation	(1,221,433)	(1,198,969)
	<b>35,261</b>	<b>43,671</b>
Academic dress - at cost	175,199	156,485
Less: Accumulated depreciation	(139,057)	(126,036)
	<b>36,142</b>	<b>30,449</b>
	<b>1,942,317</b>	<b>2,442,787</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 2019	298,217	2,042,651	27,800	43,670	30,449	2,442,787
Additions	-	75,430	-	14,054	18,715	108,199
Depreciation expense	(93,258)	(475,926)	(4,000)	(22,463)	(13,022)	(608,669)
<b>Balance at 31 December 2019</b>	<b>204,959</b>	<b>1,642,155</b>	<b>23,800</b>	<b>35,261</b>	<b>36,142</b>	<b>1,942,317</b>

## NOTE 11. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

	2019 \$	2018 \$
Buildings - right-of-use	564,377	-
Less: Accumulated depreciation	(179,075)	-
	<b>385,302</b>	-

The company leases buildings for various retail outlets, café's and art gallery 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.

**Reconciliations**

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

**NOTE 11. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS**

	Buildings \$
Balance at 1 January 2019	-
Transferred in on adoption of AASB 16	564,377
Depreciation expense	(179,075)
<b>Balance at 31 December 2019</b>	<b>385,302</b>

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

	2019 \$	2018 \$
Software - at cost	1,374,759	1,147,849
Less: Accumulated amortisation	(1,162,678)	(1,076,798)
	<b>212,081</b>	<b>71,051</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 2019	71,051
Additions	226,910
Amortisation expense	(85,880)
<b>Balance at 31 December 2019</b>	<b>212,081</b>

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

	2019 \$	2018 \$
Trade payables	195,693	261,440
Other creditors and accruals	976,184	686,541
	<b>1,171,877</b>	<b>947,981</b>

**NOTE 14. CURRENT LIABILITIES - CONTRACT LIABILITIES**

	2019 \$	2018 \$
Contract liabilities - deferred revenue	<b>285,708</b>	<b>262,428</b>

**NOTE 15. CURRENT LIABILITIES - LEASE LIABILITIES**

	2019 \$	2018 \$
Lease liability	<b>184,297</b>	-



**NOTE 16. CURRENT LIABILITIES - EMPLOYEE BENEFITS**

	2019 \$	2018 \$
Employee benefits	<b>603,829</b>	<b>484,394</b>

**NOTE 17. NON-CURRENT LIABILITIES - LEASE LIABILITIES**

	2019 \$	2018 \$
Lease liability	<b>223,203</b>	-

**NOTE 18. EQUITY - RETAINED SURPLUSES**

	2019 \$	2018 \$
Retained surpluses at the beginning of the financial year	5,599,502	5,977,873
Deficit after income tax expense for the year	(97,489)	(378,371)
Retained surpluses at the end of the financial year	<b>5,502,013</b>	<b>5,599,502</b>

**NOTE 19. 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 2019 was 24,676 (2018: 30,589).

**NOTE 20. KEY MANAGEMENT PERSONNEL DISCLOSURES****Compensation**

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

	2019 \$	2018 \$
Aggregate compensation	<b>902,826</b>	<b>1,017,276</b>

**NOTE 21. CONTINGENT LIABILITIES COMPENSATION**

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

	2019 \$	2018 \$
Bank guarantee - White House	<b>12,833</b>	<b>12,833</b>

**NOTE 22. COMMITMENTS****Lease commitments - operating**

Committed at the reporting date but not recognised as liabilities, payable:

	2019 \$	2018 \$
Within one year	-	249,371
One to five years	-	489,858
		<b>739,229</b>

## NOTE 23. RELATED PARTY TRANSACTIONS

### Key management personnel

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

### Transactions with related parties

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

### Receivable from and payable to related parties

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

### Loans to/from related parties

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

## NOTE 24. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2019 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.

The outbreak of the pandemic Coronavirus (COVID-19) in early 2020 is expected to have an impact on the Company. The disruption to the economy and subsequent government stimulus packages being offered cannot be determined at this time. We are unable to ascertain the potential impact of this event on the Company.

Except for the Coronavirus (COVID-19) and subsequent government actions, the impacts of which cannot be determined on the Company at this time, there has been no matter or circumstance, which has arisen since 31 December 2019 which has significantly affected or which may significantly affect:

- a. The operations, in financial years subsequent to 31 December 2019,
- b. The results of those operations, or
- c. State of affairs, in financial years subsequent to 31 December 2019.

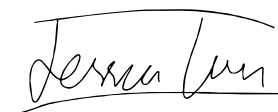
# Directors' Declaration

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 give a true and fair view of the company's financial position as at 31 December 2019 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



**Jessica Lasky**  
Honorary Treasurer



**Annie Wang**  
Director

26 March 2020  
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 2019, 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 2019 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.

### **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.

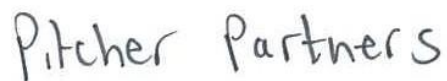
**Auditor's Responsibilities for the Audit of the Financial Report (continued)**

- 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  
SYDNEY

26 March 2020





**UNSW Student Life**

Annual Report published by Arc @ UNSW Limited

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