



# UTS Union Limited Annual Report 2010

2010



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# Board & Staff

## Listing 2010

### UTS UNION BOARD

#### Chair

Associate Professor Geoff Riordan  
[appointed 1 April 2008]

#### Treasurer

Emeritus Professor Tony Moon  
[appointed 1 February 2006]

#### President

Ms Felicity Evans [until 6 October 2010]  
Mr Laurence Wainwright [from 7 October 2010]

#### Vice-President

Mr Laurence Wainwright [until 6 October 2010]  
Mr James Fox [from 7 October 2010]

#### 3rd Council appointee

Mr Bill Paterson  
[appointed 1 January 2009]

#### Staff Directors

Ms Sue Kirk [until 6 October 2010]  
Ms Jacqui Wise [from 7 October 2010]  
Professor Aron Murphy [until 16 February 2011]  
Ms Janet Currie [from 29 March 2011]

#### Student Directors

Mr Darren Bark  
Mr Andrew Ho [until 6 October 2010]  
Ms Sandy Natarajan [until 6 October 2010]  
Mr Alex Rybak [resigned 23 June 2010]  
Mr Kamal Zreika  
Mr Danny Butnaru [from 7 October 2010]  
Mr Ali Shaheer Syed [from 7 October 2010]  
Mr Ben Turner [from 7 October 2010]

#### CEO

Mr Tom O'Sullivan  
[appointed 30 June 2004]

### SENIOR STAFF

#### Director, Programs & Sport

Ms Elizabeth Brett

#### Food and Beverage Manager

Mr Geoff Brooke-Smith

#### Retail Manager

Mr Paul Brien

#### Chief Financial Officer

Mr Alan Riley

#### Senior HR Officer

Mr Peter Rudd

# Chair's Report

**The 2010 Annual Report describes the activity of the UTS Union throughout the year. The UTS Union provides various sporting, social and cultural activities and facilities as well as a wide range of goods and services for students, staff, alumni and members of the wider community. The various sections of this Annual Report provide a detailed overview of activities and achievements in these areas.**

The Board has been faced with a number of challenges over the past few years. Chief among these has been the allocation of scarce financial resources among a wide range of important activities. Board members take this responsibility seriously, and in 2010 we asked the various departments of the Union to ensure a break even budget as it was not sustainable to operate the Union in deficit. I would like to thank the senior staff of the Union, and the heads and staff of its various departments for responding positively to this challenge.

The UTS response to the introduction of Voluntary Student Unionism has been highly effective. The University continues to provide a significant annual grant to the Union. For its part, the Union has established strong commercial systems to ensure that it can continue to generate income to support the majority of the costs involved in providing services and facilities to the University community. The Board and senior management of the Union constantly negotiate the competing demands of profitability and service. An excellent example of this is the year round offering of retail and catering services at the University. Quite reasonably, many of the commercial food outlets on campus close during the quiet times. The Union bears the cost of its year round service commitment and is able to do this in part because of the University's annual contribution.

There are three major projects currently under consideration by the Board. These are all at various stages of development. The first is the new Aerial UTS Function Centre that was opened during 2010. The function centre is a joint project between the University and the Union. The Union's contribution to this project was in the order of \$4m. Aerial has already hosted a large number of events and is increasingly being used by organisations both within and outside the University. This project is already providing increased income and this is being put back into student and staff services. On behalf of the Board I would like to acknowledge the vision and contribution of previous Boards and the tireless work of the senior staff of the Union. Most importantly, the vision and commitment

of the UTS Council, the Vice-Chancellor Ross Milbourne along with DVCs Shirley Alexander and Patrick Woods and the professionalism and dedication of the Facilities and Finance Units of the University have ensured the successful realization of the Aerial UTS Function Centre.

The second major project is the involvement of the Union in the Campus Master Plan. The Union is working closely with the University to ensure that there is provision for Union retail and catering outlets, as well as social spaces, in the new facilities. The new Multi Purpose Sports Hall will open early in 2011 and the Union will be managing this facility on behalf of the University. We have also co-operated in making some of the Union areas at Haymarket Campus available to the University for informal learning spaces.

Finally, the redevelopment of the UTS Haberfield Club premises is in progress. Hassell architects have designed an impressive new facility and their design has received strong support from the University, the Union, the UTS rowers and coaches as well as the Haberfield community. The project is now at the Development Application stage and the Board recently confirmed its commitment to the Haberfield redevelopment. We anticipate that the new facility will provide the University with another first class venue for functions and social activities as well as a world class rowing facility. Our vision, which we share with the Vice-Chancellor and the University is to attract more of Australia's best rowers, provide fitness and recreational rowing programs for staff and students and to attract elite international athletes to our university as either full-time international students or on student exchange programs.

Lastly I would like to thank my fellow Executives on the Board – the President Felicity Evans, Vice-President Laurence Wainwright and Treasurer Tony Moon, as well as the CEO of the Union, Tom O'Sullivan. All these individuals, along with the other Directors, have contributed at a leadership level to the achievements of the Union throughout 2010.

Professor Geoff Riordan  
Chair

# President's Report

**It took less than two days at University before I realized that the UTS Union was an organisation I wanted to be a part of and somewhere I wanted to be. Since then it has been an honour to see the Union grow from strength to strength as it develops in order to best serve the student population at UTS.**

The UTS Union Ltd. cemented itself as a hub of student activity, a successful company and an integral part of the UTS community in 2010. It expanded its reach, undertook and completed new ventures while continuing to operate smoothly and responsibly.

The opening of the Aerial Function Centre was a momentous occasion for the Union and the University. This was a joint venture between the two parties where the aim of the facility was to create a modern and accessible space for a variety of groups and client functions. The final product was nothing short of amazing; from the elegant design atop Building 10 to the vast and flexible space inside to the beautiful views of the ANZAC bridge. The most inspiring part of this development however is what the Aerial Function Centre represents - a continuing and successful partnership between the Union and the UTS administration and a dedication from both parties to provide students, staff and external clients with a space to gather, socialise and work.

Throughout the year I have stressed the importance of students, their activities and respective networks to the Union and University life. The Union's continued support for affiliated clubs and societies in 2010 helped make this a reality. Providing opportunities for growth, personal development and socialising, clubs and societies are the backbone of the UTS Union. Like many students at UTS, I experienced my first taste for the Union and all its work through one of the many clubs on campus. Club presidents, executives and members work all year round preparing events which are so varied and unique, where every student can find something to get involved with.

Campus life at UTS always felt energized and exciting thanks to all the activities organised by the Programs and Sport Department. O'Fest, which is a start of year staple, trivia nights, live music, clubs days, pool comps, BBQs, parties and weekly events made 2010 a busy and exciting year for students at UTS. These free events and the Advantage Program provided students with an opportunity to really engage with campus life.

Sport and Recreation proved to be stronger than ever in 2010. UTS Union sports clubs delivered some outstanding results on the field, culminating in the Australian University Games held in Perth. Here a small delegation of athletes

competed with strength, skill and integrity, to achieve placing within the top Universities of the country. On a more casual level, recreational activities continued to keep UTS fit and healthy.

At UTS Haberfield Club, positive discussions continue to take place between the Union and the University. An extensive refurbishment of this facility will cement rowing as UTS's most successful high performance sport as well as fostering community engagement in a spectacular waterfront location.

The ongoing achievements of the Union have not been without struggle as we faced the continuing implications of VSU. Smart planning and tough decisions have ensured the UTS Union's continuing success and the support of the University administration has allowed for continued growth of services on campus. VSU was not and will not be the end of student life on campus thanks to the determination of so many people at UTS.

In light of the success of the Union in 2010 I would like to thank its staff for their commitment to students and their unwavering optimism and support. Also thanks go to the UTS Union Board, especially the Chair, Professor Geoff Riordan and Vice-President Laurence Wainwright for their passion and dedication throughout the year. Many thanks to Tom O'Sullivan for acting above and beyond his role as CEO. Finally, heartfelt thanks to all the students at UTS who made my role fun, exciting and meaningful.

It has been a privilege to be the President of such a great organization and to serve the UTS Community and I wish the Union every success in the future.

Felicity Evans  
UTS Union President

# CEO's Report

**After a deficit operating result in 2009, the Board of the Union set a break-even budget for 2010. This approach reflected the Board's responsibilities in balancing the Union's Constitutional Charter to deliver services and facilities and the necessity of prudent financial management. In addressing this balance the Board ensured that student programs and campus life remained funding priorities for the year.**

To provide the services enunciated in its Constitution, the Board depends upon funding support from the University which augments the operating surpluses from our trading activities and interest earnings. These three sources of revenue have been the funding foundation for all the Union's endeavours since the introduction of voluntary student unionism (VSU) in 2006.

The Union's relationship with the University is far greater than merely a funding arrangement. The Union's role in delivering campus life aligns with the University's strategic priorities in ensuring a vibrant social and sporting environment at UTS. The delivery of the Union's role via the partnership with the University depends upon the strength of relationships with various University Officers. In particular, the Union is grateful for the ongoing support of the Vice-Chancellor, Professor Ross Milbourne and Deputy Vice-Chancellors Shirley Alexander and Patrick Woods. This support is evident in the involvement of these senior officers in many Union events, both formal and informal.

This partnership is also delivered via various capital projects across the University. The largest of these, the Aerial UTS Function Centre, was completed in 2010. The first events undertaken at the new centre were University engagements with the (then Deputy Prime Minister), Julia Gillard, to announce Government funding for the Broadway building and the presentation by renowned architect for the Dr Chau Chak Wing building at the Haymarket Campus, Frank Gehry. Subsequently the Centre has proven to be a popular venue for internal and external clients and, importantly, many Union Club events. Another project undertaken in conjunction with the University was the relocation and combination of the Union's previously separate catering and retail outlets at the Haymarket Campus. The new outlet provides a convenient and more visible service to the community and has supported the University's establishment of expanded informal learning areas at the Haymarket Campus. The Union is also participating in various project control groups for Master Plan projects, including the Engineering and IT building and the Great Hall refurbishment. Another project which has progressed in 2010 is the refurbishment of the UTS Haberfield Club. A raft of consultant reports has been undertaken and the University Council has endorsed the lodgment of a Development Application in early 2011. This project will deliver improved facilities for our rowing programs as well as modernising the community facility upstairs to support the University's and the Union's community engagement.

Elsewhere in this report the Union's highlights through its sport and recreation as well as social and cultural programs

are summarized. UTS achieved excellent results in both the Eastern University Games and the Australian University Games to again rank first in our region and within the top ten universities nationally. At the same time the Programs and Sport Department delivered a varied and engaging array of social and cultural events. To a large degree the Union's role in delivering campus life is carried out via the Clubs and Societies program. Successive Union Boards have ensured that, despite VSU, funding for clubs and societies has continued to be a priority for the Union. The Clubs' program provides opportunities for leadership development, social networking, exposure to different art forms and cultures all wrapped up within a fantastic variety of functions and events. The Clubs' program was also the source of a substantial increase in the number of student nominations for the Union Board elections in September.

At the end of 2010 the Federal Government managed to secure the passage of the Higher Education Legislation Amendment (Student Services and Amenities) Bill through the House of Representatives. This Bill will effectively reverse the negative impacts of VSU if it is passed by the Senate during 2011. The structure of the Bill is heavily based on detailed input from two of the national organisations of which the Union is a member – the Australasian Campus Union Mangers Association (ACUMA) and Australian University Sport (AUS).

As mentioned earlier in this report the Union's achievements depend upon effective governance by the Board of Directors as well as a positive partnership with the University. I am pleased to report that both these elements continue to underpin all of the Union's accomplishments. The Board of the Union is fortunate to have sound leadership delivered through the Chair, Professor Geoff Riordan; the Treasurer, Emeritus Professor Tony Moon; the President Felicity Evans and Vice-President Laurence Wainwright. The Union's governance model is based upon a combination of experience from the University staff and proactive input from the Student Directors. The Executive of the Board reflects the success of this combination through their constant participation in Union events and their support for the endeavours of all staff. I would also like to thank the Department Heads and other Managers of the Union who oversee the day to day delivery of Union services and events.

I commend this Annual Report to the University community.

Tom O'Sullivan  
CEO

# Sport & Recreation Report

## CITY 2 SURF

UTS could not have seen a more successful City 2 Surf event than that on Sunday 8 August 2010. It was a huge UTS team, with over 320 people signing up for both the race and post event at Bondi Beach. UTS students, staff, Alumni, sport and social club members, along with friends and family, flooded the steps of the Anzac War Memorial in their UTS singlets and it was there the UTS spirit came alive. Friendships were formed at the seven warm-up events, along the 14km fun run and of course ant the always appreciated post-celebration UTS marquee. Food and beverages supplied by Aerial were second to none and our sponsors Lion Nathan and Powerade provided great support, product and prize packs.

## RECREATION

The 2010 Recreation Program engaged over 2000 members of the UTS community in a variety of short courses, day trips and holiday adventures. International students took to discovering the beautiful Blue Mountains, Hunter Valley and Port Stephens. Local students enjoyed learning new skills such as fencing, SCUBA and sailing and plenty of people tested their nerves canyoning and sky diving.

## RIDE TO WORK

With over 140 staff and students registered through the Ride to Work webpage, the 2010 R2W was the biggest ever. Budding UTS cyclists not only enjoyed the brisk morning ride into work, they were also treated to a hearty breakfast supplied by the Concourse Cafe.

## ELITE ATHLETE PROGRAM

In 2010, 77 UTS student athletes were supported through the UTS Elite Athlete Program. Amongst those athletes were 3 Olympians, 3 World Champions, 8 World Championship competitors and over 20 Australian Representatives.

## HIGHLIGHTS

In 2010, UTS contributed more athletes to the World University Championships than any other Australian University. Among those athletes were the UTS athletes representing Australia in the 2010 World University Match Racing Championships in Crete. The two teams consisted

of Lucinda Whitty, Kathleen Stroinovsky and Kate Reddy in Crew 1 and Jay Griffen, Hugh Tait, Kathryn Webb and Jackson Cranfield in Crew 2. The two UTS crews took out Silver and Bronze at the World Uni Champs - an amazing result for UTS and Australia.

The 2010 Sportsman of the Year was Olympic diver, Scott Robertson. Scott won 2 gold and 1 bronze at the 2010 Australian Diving Championships which secured his spot in the Australian Commonwealth Games Team, that competed in Delhi. In what can be described as trying conditions, Scott a won a Bronze Medal in the 3m springboard, cementing his place at the top of Australian Diving.

### 2010 Full Blues Winners

Alyssa Healy	Cricket
Scott Robertson	Diving
Jozef Slowiaczek	Fencing
Sutherland Scudds	Fencing
Alizah Kendler	Golf
Rachel Lodewijks	Handball
David Spence	Hockey
Thomas Tweedie	Motor Racing
David Ludenia	Mountain Biking
Jackson Cranfield	Sailing
Kate Reddy	Sailing
Hugh Tait	Sailing
Katie Webb	Sailing
Jay Griffen	Sailing
Kathleen Stroinovsky	Sailing
Lucinda Whitty	Sailing
Hayder Shkara	Taekwondo

**2010 Half Blues Winners**

Ashleigh Pointer	Hockey
Jaimie Mann	Netball
Cameron Harrison	Ski
James Stacey	Swimming
Alexander Patrulescu	Swimming
Georgina Andrews	Touch Football
Sally Meagher	Touch Football
Taya Conomos	Touch Football
Howard Mullen	Touch Football

**2010 Sportswoman of the Year**

Lucinda Whitty	Sailing
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**2010 Sportsman of the Year**

Scott Robertson	Diving
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**2010 UTS Union Service Award**

Rob Laird	DOUTS
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**2010 Sports Manager of the Year**

Cameron Harrison	UTS Ski Club
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**2010 UTS Team of the Year**

2010 UTS World University Match Racing Team

**2010 Club of the Year**

UTS Netball Club

**2010 Sports Recognition Award**

Ron Bendall	UTS Norths Athletic Club
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# Events & Programs

## Highlights

### UNION EVENTS

In 2010, the Union continued with its combined O-Day and O-Fest orientation program which was initiated in 2009. The big day was held on Wednesday 24th February and O-Festival began at 2pm in the afternoon. A number of high profile bands, live acts and DJs performed at the event and set the scene for upcoming student events that were to be held throughout the year.

The Union continued to offer live music at the Loft on Wednesday, Thursday and Friday nights. Through street publication advertising we maintained a strong following from students and the surrounding local community.

The Union ran several club competition events in 2010, including two Amazing Race events around campus and an inter-club Trivia night at the Glasshouse Bar in September.

There was continual support to other UTS departments as the Union helped to organise and promote the Housing Residences Annual Dinner, MCU's Advisory and Information Days, and Infusion Week with SSU.

The 2010 Volunteer of the Year was awarded to Jessica Robinson who worked extensively with Student Services Unit's Peer Network Program, as well as the UTS Union.

The 'Club of the Year Award' in 2010 was awarded to the Exposure Photography Club for their commitment and dedication towards providing successful events for their members and their ongoing support of the Union.

### NEW CLUBS ON CAMPUS

A number of new clubs affiliated with the Union in 2010. These were:

- 50Fifty design club
- UTS Skydiving club
- Backstage theatre club
- INDSOC interior design club
- Hip Hop Society
- Iranian Society
- Thai Society

This shows a vast number of students at UTS are keen to create new clubs, engage students and recognise the assistance they receive from the Union.



**2010 Activities Club Person of the Year**

ACES	Edison Xie
Anime	Isabelle Wong
BiG (IT)	Emma Haines
CASS	Andrew Ng
Christian Students	Scott Lucas
CREDO	Kathy Zhang
Debating Society	Stefan Jamal
EGG	Ariel Michael
Engsoc	Natassha Mazic
Exchange & Study Abroad Club	Christian Eberl
Exposure	Arthur Tong
FPMA	James Wu
FRESS	Susan Shi
HUTS	Sarah Henderson
I Heart UTS	Krystal Ng
Iranian Society	Farhad Nabavi
JASS	Grace Ellis
Lankans at UTS	Damith Barnes
MASA	Michelle Tiah
Mission X	Ralf Behn
Progsoc	Tina Ng
Red Cross Society	Douglas McDonald
Salad Bowl	Rathini Mahendran
Sci v Sci	Jacqueline Chowis
The Big Lift	Stephanie Dobbin
UTS Motorcycle Club	Andrew Johnston
Wine Society	Tim Scargill
Writers' Society	Jessica Robinson

**2010 Special Awards**

Most Advantage Program members 2010	Engineering Society
Best Representation at an Intersivity Level	Debating Society
Best new club of 2010	Exchange & Study Abroad Club
Best on campus promotional work 2010	ACES
Best regular on-campus event throughout 2010	Writers' Society – for their Lofty Words event
Best charity & awareness event	EGG – for their Childs Play charity event
Best Cultural Event	JASS – for their Japanese Exchange program
Best on-campus event	BiG (IT) Club for their end of year Halloween Party
Most Consistently Active Club in 2010	Sci v Sci

# Directors'

## Report

The directors present their report together with the financial report of UTS Union Ltd (the Company) and of the consolidated entity, being the Company and its controlled entity, for the financial year ended 31 December 2010 and the auditor's report thereon.

### 1 Directors

The directors of the Company at any time during or since the end of the financial year are as follows:

#### Professor Geoff Riordan

BEd, MEdAdmin, PhD  
Appointed 1 April 2008

#### Tom O'Sullivan

BA, LLB  
Chief Executive Officer  
Appointed 30 June 2004

#### Susan Kirk

BSc, GradDipOT  
University Staff  
Appointed 7 October 2006  
Resigned 6 October 2010

#### Kamal Zreika

B.Bus, LLB  
Student  
Appointed 7 October 2007

#### Professor Anthony Moon

BSc Honours, PhD, FAIP  
Professor Emeritus  
Appointed 1 February 2006

#### Alex Rybak

Student  
Appointed 7 October 2008  
Resigned 23 June 2010

#### Andrew Ho

Student  
Appointed 7 October 2008  
Resigned 6 October 2010

#### Felicity Evans

Student  
Appointed 7 October 2008  
Resigned 6 October 2010

#### Sandya Natarajan

Student  
Appointed 7 October 2008  
Resigned 6 October 2010

#### William Paterson

BA(Hons), MEdAdmin  
University Staff  
Appointed 1 January 2009

#### Professor Aron Murphy

BAppSci, BHumanMvtSci, PhD  
University Staff  
Appointed 7 October 2009  
Resigned 16 February 2011

#### Darren Bark

LLB (Hons I)  
Solicitor and Electorate Officer  
Appointed 7 October 2009

#### Laurence Wainwright

B.Bus  
Student  
Appointed 7 October 2009

#### Danny Butnaru

Student  
Appointed 7 October 2010

#### James Fox

Student  
Appointed 7 October 2010

#### Ali Shaheer Syed

Student  
Appointed 7 October 2010

#### Benjamin Turner

Student  
Appointed 7 October 2010

#### Jacqueline Wise

MMgmt (Mktg) (MGSM)  
University Staff  
Appointed 7 October 2010

#### Janet Lynne Currie

TC, AssocDipHEd, BEd(PhysEd),  
BHLthSc(HProm), MEd,  
MHLthSc(Hons), PhD  
University Staff  
Appointed 29 March 2011

## 2 Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

BOARD MEETINGS		
Director	Number of meetings attended	Number of meetings held*
G. Riordan	10	12
D. Bark	4	12
D. Butnaru	3	3
F. Evans	9	9
J. Fox	2	3
A. Ho	5	9
S. Kirk	8	9
T. Moon	9	12
A. Murphy	6	12
S. Natarajan	5	9
T. O'Sullivan	12	12
W. Paterson	10	12
A. Rybak	-	5
A. Syed	3	3
B. Turner	2	3
L. Wainwright	11	12
J. Wise	3	3
K. Zreika	7	12

\* Number of meetings held during the time the director held office during the year.

## 3 Objectives and strategy

The broad objectives of the Company are to provide recreational, sporting, social and cultural programs and activities for students and provide subsidies for student clubs and societies. They also include providing food and beverage and retail services to the student and campus community. The long term objectives encompass the planning for and providing services infrastructure to facilitate the delivery of programs and services; and to ensure programs and services continue to remain relevant to the student and campus community.

Strategy employed to achieve the objectives of the Company is based on fiscal responsibility and the balancing of capital project funding with the funding of student services with the overall aim to maximise student engagement.

The Board identifies strategic direction in the delivery of student and campus services through an annual corporate plan that identifies a number of financial and operational key performance indicators (KPIs). These KPIs are regularly reviewed by management to gauge the performance of operations and ensure that the measures adopted continue to be relevant in the changing economic environment in which the Company operates.

## 4 Principal activities and performance

The principal activities of the consolidated entity during the course of the financial year were the provision of various member services to students and staff at University of Technology, Sydney, New South Wales.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

### Overview of the consolidated entity and the Company

The Company's profit after tax for the year amounted to \$308,286 (2009: \$378,832 loss). This resulted after charging \$400,626 (2009: \$293,383) for depreciation and \$nil (2008: \$nil) for income tax.

The consolidated entity's profit after tax for the year amounted to \$273,718 (2009: \$377,397 loss). This resulted after charging \$419,413 (2009: \$309,471) for depreciation and \$nil (2009: \$nil) for income tax.

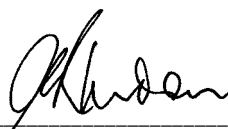
## 5 Membership

The Company is a company limited by guarantee and without share capital. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$5 per member in the event of the winding up of the Company during the time he or she is a member or within one year thereafter. The Company has only one member, being University of Technology, Sydney. The total amount that member of the Company is liable to contribute if the Company is wound up is \$5 (2009: \$5).

## 6 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the financial year ended 31 December 2010.

This report is made with a resolution of the directors:



A. Moon

Dated at Sydney this 28th day of April 2011

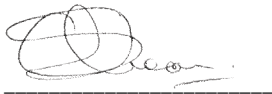
## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of UTS Union Limited

I declare that, to the best of my knowledge and belief, in relation to our audit for the financial year ended 31 December 2010, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG



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Cameron Roan  
Partner  
Sydney  
28 April 2011

# Financial Report

UTS Union Limited and its Controlled Entity  
For year ended 31 December 2010



# Financial Statements

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

In AUD	Note	Consolidated		Company	
		2010	2009	2010	2009
<b>Assets</b>					
Cash and cash equivalents	4	11,982,416	13,231,341	11,609,742	12,889,429
Trade and other receivables	5	747,137	557,578	931,706	661,045
Inventories	6	781,541	842,661	761,949	821,479
<b>Total current assets</b>		<b>13,511,094</b>	<b>14,631,580</b>	<b>13,303,397</b>	<b>14,371,953</b>
Property, plant and equipment	7	3,376,214	2,135,779	3,349,007	2,089,785
<b>Total non-current assets</b>		<b>3,376,214</b>	<b>2,135,779</b>	<b>3,349,007</b>	<b>2,089,785</b>
<b>Total assets</b>		<b>16,887,308</b>	<b>16,767,359</b>	<b>16,652,404</b>	<b>16,461,738</b>
<b>Liabilities</b>					
Trade and other payables	8	845,029	1,023,262	786,335	932,975
Employee benefits	9	247,614	241,619	234,821	224,270
<b>Total current liabilities</b>		<b>1,092,643</b>	<b>1,264,881</b>	<b>1,021,156</b>	<b>1,157,245</b>
Employee benefits	9	52,767	34,298	52,767	34,298
<b>Total non-current liabilities</b>		<b>52,767</b>	<b>34,298</b>	<b>52,767</b>	<b>34,298</b>
<b>Total liabilities</b>		<b>1,145,410</b>	<b>1,299,179</b>	<b>1,073,923</b>	<b>1,191,543</b>
<b>Net assets</b>		<b>15,741,898</b>	<b>15,468,180</b>	<b>15,578,481</b>	<b>15,270,195</b>
<b>Members' funds</b>					
General funds		15,741,898	15,468,180	15,578,481	15,270,195
<b>Total members' funds</b>		<b>15,741,898</b>	<b>15,468,180</b>	<b>15,578,481</b>	<b>15,270,195</b>

The notes on pages 18 to 31 are an integral part of these consolidated financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

In AUD	Note	Consolidated		Company	
		2010	2009	2010	2009
Revenue	10	11,388,930	11,150,832	10,667,478	10,366,766
Other income	11	5,419	9,317	5,419	9,317
Cost of goods sold		(3,380,954)	(3,363,517)	(3,182,809)	(3,159,888)
Board expenses		(54,327)	(57,124)	(54,327)	(57,124)
Personnel expenses	12	(4,742,717)	(4,671,276)	(4,474,925)	(4,381,515)
Cleaning expenses		(266,448)	(220,213)	(266,448)	(220,213)
Events and function expenses		(216,903)	(297,307)	(190,293)	(263,131)
Grant expenses		(861,812)	(1,317,238)	(901,812)	(1,357,238)
Insurance expenses		(36,050)	(35,164)	-	-
Poker machine expenses		(7,187)	(7,111)	-	-
Professional services expenses		(56,961)	(68,445)	(35,286)	(47,725)
Promotions and publications expenses		(177,475)	(204,298)	(177,475)	(204,298)
Property expenses		(432,535)	(444,396)	(349,123)	(358,170)
Rent and rates expenses		(205,689)	(202,997)	(136,600)	(136,600)
Repairs and maintenance expenses		(230,611)	(231,546)	(194,183)	(197,271)
Other expenses		(746,568)	(685,557)	(714,918)	(655,478)
<b>Loss before interest, income tax and depreciation</b>		(21,888)	(646,040)	(5,302)	(662,568)
Depreciation		(419,413)	(309,471)	(400,626)	(293,383)
<b>Results from operating activities</b>		(441,301)	(955,511)	(405,928)	(955,951)
Interest income		715,019	578,114	714,214	577,119
<b>Profit/(loss) before income tax</b>		273,718	(377,397)	308,286	(378,832)
Income tax expense	13	-	-	-	-
<b>Profit/(loss) for the year</b>		273,718	(377,397)	308,286	(378,832)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		273,718	(377,397)	308,286	(378,832)

The notes on pages 18 to 31 are an integral part of these consolidated financial statements.

## Financial Statements continued

<b>STATEMENTS OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2010</b>		
<i>In AUD</i>		<b>General Funds</b>
<b>Consolidated</b>		
Balance at 1 January 2009		15,845,577
<b>Total comprehensive loss for the year</b>		
Loss for the year		(377,397)
Other comprehensive income		-
<b>Balance at 31 December 2009</b>		<u>15,468,180</u>
Balance at 1 January 2010		15,468,180
<b>Total comprehensive income for the year</b>		
Profit for the year		273,718
Other comprehensive income		-
<b>Balance at 31 December 2010</b>		<u>15,741,898</u>
<b>Company</b>		
Balance at 1 January 2009		15,649,027
<b>Total comprehensive loss for the year</b>		
Loss for the year		(378,832)
Other comprehensive income		-
<b>Balance at 31 December 2009</b>		<u>15,270,195</u>
Balance at 1 January 2010		15,270,195
<b>Total comprehensive income for the year</b>		
Profit for the year		308,286
Other comprehensive income		-
<b>Balance at 31 December 2010</b>		<u>15,578,481</u>

The notes on pages 18 to 31 are an integral part of these consolidated financial statements.

## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

In AUD	Note	Consolidated		Company	
		2010	2009	2010	2009
<b>Cash flows from operating activities</b>					
Cash receipts from customers		12,350,297	12,335,871	11,537,363	11,420,403
Cash paid to suppliers and employees		(12,659,812)	(12,793,330)	(11,814,916)	(11,918,468)
Cash generated from operations		(309,515)	(457,459)	(277,553)	(498,065)
Interest received		715,019	578,114	714,214	577,119
<b>Net cash from operating activities</b>	4	405,504	120,655	436,661	79,054
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		67,360	44,484	67,360	44,317
Acquisition of property, plant and equipment		(1,721,789)	(224,732)	(1,721,789)	(190,045)
<b>Net cash used in investing activities</b>		(1,654,429)	(180,248)	(1,654,429)	(145,728)
<b>Cash flows from financing activities</b>					
Advance to subsidiary		-	-	(61,919)	-
<b>Net cash used in financing activities</b>		-	-	(61,919)	-
<b>Net decrease in cash and cash equivalents</b>		(1,248,925)	(59,593)	(1,279,687)	(66,674)
Cash and cash equivalents at beginning of year		13,231,341	13,290,934	12,889,429	12,956,103
<b>Cash and cash equivalents at end of year</b>	4	11,982,416	13,231,341	11,609,742	12,889,429

The notes on pages 18 to 31 are an integral part of these consolidated financial statements.

# Notes to Financial Statements

## 1 Reporting entity

UTS Union Ltd (the Company) is a company limited by guarantee and domiciled in Australia. The address of the Company's registered office is University of Technology, Level 6 Tower Building, 1 Broadway, Ultimo NSW 2007. The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiary (together referred to as the consolidated entity and individually as Group entities).

The principal activities of the consolidated entity during the course of the financial year were of the provision of various member services to students and staff at University of Technology, Sydney, New South Wales.

## 2 Basis of preparation

### (a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001, the Registered Clubs Amendment Act 2006 and the Gaming Machines Tax Act 2001. The consolidated financial statements do not comply with International Financial Reporting Standards (IFRSs) as the consolidated entity has adopted the exemptions allowed for not-for-profit organisations under AASB 101 Presentation of Financial Statements.

The consolidated financial statements were approved by the Board of Directors on 28th April 2011.

### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

### (c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

### (d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are included in the notes to the consolidated financial statements.

## 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities controlled by the consolidated entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the consolidated entity.

#### (ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**(b) Financial instruments***(i) Non-derivative financial assets*

Financial assets are recognised initially on the date at which the consolidated entity becomes a party to the contractual provisions of the instrument.

The consolidated entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the consolidated entity is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The consolidated entity classifies non-derivative financial assets into the loans and receivables category.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

*(ii) Non-derivative financial liabilities*

Financial liabilities are recognised initially on the date at which the consolidated entity becomes a party to the contractual provisions of the instrument. The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The consolidated entity has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

**(c) Property, plant and equipment***(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

*(ii) Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the consolidated entity, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*(iii) Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Artwork is not depreciated.

### 3 Significant accounting policies *continued*

The estimated useful lives used for the current and comparative years are as follows:

- Plant and equipment 2 - 10 years
- Leasehold improvements 8 - 40 years

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

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

#### (e) Impairment

##### (i) *Non-derivative financial assets*

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the consolidated entity on terms that the consolidated entity would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The consolidated entity considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the consolidated entity uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### (ii) *Non-financial assets*

The carrying amounts of the consolidated entity's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (f) Employee benefits

##### (i) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

*(ii) Other long-term employee benefits*

The consolidated entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the consolidated entity's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

*(iii) Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the consolidated entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(g) Revenue***(i) Goods sold and services rendered*

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the customer. Revenue from services rendered comprises revenue from gaming facilities together with other services to members and patrons of the consolidated entity. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is risk of return of goods or there is continuing management involvement with the goods.

*(ii) Fees - university contribution*

The contribution from the University of Technology, Sydney is measured at the fair value of the consideration received.

*(iii) Other revenue*

Other revenue comprises rent and room hire, sponsorships and student program contributions.

**(h) Lease payments**

Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and the leased assets are not recognised in the consolidated entity's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**(i) Interest income**

Interest income on funds invested is recognised as it accrues in profit or loss, using the effective interest method.

**(j) Income tax**

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in members funds or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Income Tax Assessment Act 1997 (amended) provides that under the concept of mutuality, clubs are only liable for income tax on income derived from non-members and from outside entities.

### 3 Significant accounting policies *continued*

#### (k) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (l) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the consolidated entity, except for AASB 9 Financial Instruments, which becomes mandatory for the consolidated entity's 2013 financial statements and could change the classification and measurement of financial assets; and AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements, which becomes mandatory for the consolidated entity's 2014 financial statements, the amendments only affect presentation aspects of the consolidated financial statements. The consolidated entity does not plan to adopt these standards early and the extent of the impact has not been determined.

### 4 Cash and cash equivalents

In AUD	Consolidated		Company	
	2010	2009	2010	2009
Bank balances	11,922,438	13,199,159	11,566,422	12,874,107
Cash on hand	59,978	32,182	43,320	15,322
Cash and cash equivalents in the statements of cash flows	11,982,416	13,231,341	11,609,742	12,889,429

The consolidated entity's and Company's exposure to credit and interest rate risks and a sensitivity analysis for financial assets is disclosed in note 14.

#### Reconciliation of cash flows from operating activities

In AUD	Consolidated		Company	
	2010	2009	2010	2009
Profit/(loss) for the year	273,718	(377,397)	308,286	(378,832)
Adjustments for:				
Depreciation	419,413	309,471	400,626	293,383
Net gain on sale of property, plant and equipment	(5,419)	(9,317)	(5,419)	(9,317)
Interest income	(715,019)	(578,114)	(714,214)	(577,119)
<b>Operating profit before changes in working capital and provisions</b>	(27,307)	(655,357)	(10,721)	(671,885)
Change in trade and other receivables	(189,559)	69,956	(208,742)	16,960
Change in inventories	61,120	(119,907)	59,530	(120,155)
Change in trade and other payables	(178,233)	172,437	(146,640)	202,356
Change in employee benefits	24,464	75,412	29,020	74,659
	(309,515)	(457,459)	(277,553)	(498,065)
Interest received	715,019	578,114	714,214	577,119
<b>Net cash from operating activities</b>	405,504	120,655	436,661	79,054

### 5 Trade and other receivables

In AUD	Consolidated		Company	
	2010	2009	2010	2009
<b>Current</b>				
Trade receivables	747,137	557,578	725,884	517,142
Receivable from subsidiary	-	-	205,822	143,903
	747,137	557,578	931,706	661,045

The consolidated entity's and Company's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in note 14.

## 6 Inventories

<i>In AUD</i>	Consolidated			Company
	2010	2009	2010	2009
Finished goods	781,541	842,661	761,949	821,479

## 7 Property, plant and equipment

Consolidated					
<i>In AUD</i>	Leasehold improvement	Plant and equipment	Under construction	Artworks	Total
<b>Cost</b>					
Balance at 1 January 2009	3,969,151	1,831,849	2,876	98,128	5,902,004
Additions	-	224,732	-	-	224,732
Disposals	-	(165,418)	-	-	(165,418)
Transfers	2,876	-	(2,876)	-	-
Balance at 31 December 2009	3,972,027	1,891,163	-	98,128	5,961,318
Balance at 1 January 2010	3,972,027	1,891,163	-	98,128	5,961,318
Additions	693,048	1,017,004	11,737	-	1,721,789
Disposals	-	(123,894)	-	-	(123,894)
Adjustments	(1,880,682)	(78,197)	-	-	(1,958,879)
Balance at 31 December 2010	2,784,393	2,706,076	11,737	98,128	5,600,334
<b>Depreciation</b>					
Balance at 1 January 2009	2,256,274	1,390,045	-	-	3,646,319
Depreciation for the year	146,752	162,719	-	-	309,471
Disposals	-	(130,251)	-	-	(130,251)
Balance at 31 December 2009	2,403,026	1,422,513	-	-	3,825,539
Balance at 1 January 2010	2,403,026	1,422,513	-	-	3,825,539
Depreciation for the year	181,689	237,724	-	-	419,413
Disposals	-	(61,953)	-	-	(61,953)
Adjustments	(1,880,682)	(78,197)	-	-	(1,958,879)
Balance at 31 December 2010	704,033	1,520,087	-	-	2,224,120
<b>Carrying amounts</b>					
At 1 January 2009	1,712,877	441,804	2,876	98,128	2,255,685
At 31 December 2009	1,569,001	468,650	-	98,128	2,135,779
At 1 January 2010	1,569,001	468,650	-	98,128	2,135,779
At 31 December 2010	2,080,360	1,185,989	11,737	98,128	3,376,214
<b>Cost</b>					
Balance at 1 January 2009	3,969,151	1,545,407	2,876	98,128	5,615,562
Additions	-	190,045	-	-	190,045
Disposals	-	(163,148)	-	-	(163,148)
Transfers	2,876	-	(2,876)	-	-
Balance at 31 December 2009	3,972,027	1,572,304	-	98,128	5,642,459

**7 Property, plant and equipment** *continued*

<b>Consolidated</b>					
<i>In AUD</i>	<b>Leasehold improvement</b>	<b>Plant and equipment</b>	<b>Under construction</b>	<b>Artworks</b>	<b>Total</b>
Balance at 1 January 2010	3,972,027	1,572,304	-	98,128	5,642,459
Additions	693,048	1,017,004	11,737	-	1,721,789
Disposals	-	(123,894)	-	-	(123,894)
Adjustments	(1,880,682)	(78,197)	-	-	(1,958,879)
Balance at 31 December 2010	2,784,393	2,387,217	11,737	98,128	5,281,475
<b>Depreciation</b>					
Balance at 1 January 2009	2,256,274	1,131,165	-	-	3,387,439
Depreciation for the year	146,752	146,631	-	-	293,383
Disposals	-	(128,148)	-	-	(128,148)
Balance at 31 December 2009	2,403,026	1,149,648	-	-	3,552,674
Balance at 1 January 2010	2,403,026	1,149,648	-	-	3,552,674
Depreciation for the year	181,689	218,937	-	-	400,626
Disposals	-	(61,953)	-	-	(61,953)
Adjustments	(1,880,682)	(78,197)	-	-	(1,958,879)
Balance at 31 December 2010	704,033	1,228,435	-	-	1,932,468
<b>Carrying amounts</b>					
At 1 January 2009	1,712,877	414,242	2,876	98,128	2,228,123
At 31 December 2009	1,569,001	422,656	-	98,128	2,089,785
At 1 January 2010	1,569,001	422,656	-	98,128	2,089,785
At 31 December 2010	2,080,360	1,158,782	11,737	98,128	3,349,007

**8 Trade and other payables**

<i>In AUD</i>	<b>Consolidated</b>			<b>Company</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Current</b>				
Trade payables and accrued expenses	824,032	1,014,298	774,456	932,975
Revenue received in advance	20,997	8,964	11,879	-
	845,029	1,023,262	786,335	932,975

The consolidated entity's and Company's exposure to liquidity risk related to trade and other payables is disclosed in note 14.

**9 Employee benefits**

<i>In AUD</i>	<b>Consolidated</b>			<b>Company</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Current</b>				
Liability for annual leave	178,479	182,234	165,686	164,885
Liability for long service leave	69,135	59,385	69,135	59,385
	247,614	241,619	234,821	224,270
<b>Non-current</b>				
Liability for long-service leave	52,767	34,298	52,767	34,298

**10 Revenue**

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
Revenue from sale of goods	7,437,005	7,184,710	6,902,535	6,622,818
Member fees	127,835	229,489	127,835	229,489
Revenue from rendering of services	1,156,400	1,173,803	920,707	942,572
Fees - university contribution	1,557,546	1,512,214	1,557,546	1,512,214
Other revenue	1,110,144	1,050,616	1,158,855	1,059,673
	11,388,930	11,150,832	10,667,478	10,366,766

**11 Other income**

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
Net gain on disposal of property, plant and equipment	5,419	9,317	5,419	9,317

**12 Personnel expenses**

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
Wages and salaries	3,922,189	4,057,132	3,652,634	3,816,025
Other associated personnel expenses	286,554	217,772	283,761	191,853
Contributions to defined contributionsuperannuation funds	335,997	197,476	335,997	175,494
Movement in liability for annual leave	164,926	174,855	169,482	174,102
Movement in liability for long-service leave	33,051	24,041	33,051	24,041
	4,742,717	4,671,276	4,474,925	4,381,515

**13 Income tax expense****Numerical reconciliation between tax expense and pre-tax accounting profit**

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
Proportion of net taxable income attributable to non-members	533,539	565,551	-	-
Less: Proportion of expenses attributable to non-members	(593,294)	(606,640)	-	-
	(59,755)	(41,089)	-	-
Add: Other taxable income	57,592	76,573	-	-
Less: Other deductible expenses	(23,692)	(25,036)	-	-
Net income subject to tax	(25,855)	10,448	-	-
Income tax (benefit)/expense using the statutory income tax rate of 30% (2009: 30%)	(7,756)	3,134	-	-
Unrecognised tax losses reversed/(utilised)	7,756	(3,134)	-	-
	-	-	-	-

**13 Income tax expense** *continued*

Estimated deferred tax assets have not been recognised in respect of the following items:

<i>In AUD</i>	<b>Consolidated</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Unrecognised deferred tax assets</b>				
Deductible temporary differences	3,838	5,205	-	-
Tax losses	7,756	56,764	-	-
	<b>11,594</b>	<b>61,969</b>	<b>-</b>	<b>-</b>

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the entity can utilise the benefits from.

**14 Financial risk management and financial instruments****Overview**

The consolidated entity and Company have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the consolidated entity's and Company's exposure to each of the above risks, and their objectives, policies and processes for measuring and managing risk.

**Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and is also responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity and Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's and Company's activities. The consolidated entity and Company through training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the consolidated entity's and Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity and Company.

**Credit risk**

Credit risk is the risk of financial loss to the consolidated entity and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated entity's and Company's trade and other receivables.

**Management of credit risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The consolidated entity and Company do not require collateral in respect of financial assets. The consolidated entity and Company limit their exposure to credit risk on cash and cash equivalents by only investing in current and deposit accounts with independently credit - related Australian standardised financial institutions. These are generally held on short terms (less than three months) to ensure funds are immediately accessible for operating and investing needs.

**Exposure to credit risk**

The carrying amount of the consolidated entity's and Company's financial assets represents the maximum credit exposure. The consolidated entity's and Company's maximum exposure to credit risk at the reporting date was:

<i>In AUD</i>	<b>Note</b>	<b>Consolidated</b>		<b>Company</b>	
		<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Trade and other receivables	5	747,137	557,578	931,706	661,045
Cash and cash equivalents	4	11,982,416	13,231,341	11,609,742	12,889,429
		<b>12,729,553</b>	<b>13,788,919</b>	<b>12,541,448</b>	<b>13,550,474</b>

At the reporting date there were no significant concentrations of credit risk by geographic region or by customer.

### Impairment losses

Based on nil historic default rates and management assessment as at 31 December 2010, the consolidated entity and Company believe that no impairment allowance is necessary in respect of trade receivables.

The aging of the consolidated entity's and Company's trade receivables at the reporting date was:

<i>In AUD</i>	Note	Gross 2010	Impairment 2010	Gross 2009	Impairment 2009
<b>Consolidated</b>					
Not past due	5	747,137	-	557,578	-
<b>Company</b>					
Not past due	5	931,706	-	661,045	-

### Liquidity risk

Liquidity risk is the risk that the consolidated entity and Company will not be able to meet their financial obligations as they fall due.

### Management of liquidity risk

The consolidated entity's and Company's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's and Companies' reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

<b>Consolidated</b>					
<i>In AUD</i>	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years
<b>31 December 2010</b>					
Trade and other payables	(845,029)	(845,029)	(845,029)	-	-
<b>31 December 2009</b>					
Trade and other payables	(1,023,262)	(1,023,262)	(1,023,262)	-	-
<b>Company</b>					
<i>In AUD</i>	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years
<b>31 December 2010</b>					
Trade and other payables	(786,335)	(786,335)	(786,335)	-	-
<b>31 December 2009</b>					
Trade and other payables	(932,975)	(932,975)	(932,975)	-	-

### Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the consolidated entity's and Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Management of interest rate risk

The consolidated entity's and Company's cash and cash equivalents are subject to interest rate risk. The consolidated entity and Company do not use derivatives to minimise this risk and this will fluctuate in accordance with movements in the market interest rates.

**14 Financial risk management and financial instruments** *continued***Interest rate risk profile**

At the reporting date the interest rate profile of the consolidated entity's and Company's interest-bearing financial instruments was:

<i>In AUD</i>	Consolidated		Company	
	Carrying amount		Carrying amount	
<i>Variable rate instruments</i>	2010	2009	2010	2009
Cash and cash equivalents	11,982,416	13,231,341	11,609,742	12,889,429

**Cash flow sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2009.

<i>In AUD</i>	Consolidated		Company	
	Profit or loss		Profit or loss	
	100 bps	100 bps	100 bps	100 bps
<b>31 December 2010</b>	Increase	Decrease	Increase	Decrease
Variable rate instruments	119,824	(119,824)	116,097	(116,097)
<b>31 December 2009</b>				
Variable rate instruments	132,313	(132,313)	128,894	(128,894)

**Fair values**

As at the reporting date, the carrying values of financial assets and liabilities are considered to approximate their fair value.

**15 Operating leases****Leases as lessee**

Non-cancellable operating lease rentals are payable as follows:

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
Less than one year	35,954	36,116	-	-
Between one and five years	17,977	54,174	-	-
	53,931	90,290	-	-

The consolidated entity leases land and buildings under non-cancellable operating leases expiring from 1 - 2 years. Leases generally provide the consolidated entity with a right to renewal at which time all terms are negotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria.

**16 Capital and other commitments**

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
<b>Capital expenditure commitments</b>				
<b>Grant commitments</b>				
Contracted but not provided for and payable				
Within one year	2,800,000	1,700,000	2,800,000	1,700,000
One year or later and no later than five years	-	2,300,000	-	2,300,000
	2,800,000	4,000,000	2,800,000	4,000,000

## 17 Contingencies

### Contingent liabilities considered remote

In AUD	Consolidated		Company	
	2010	2009	2010	2009
Bank guarantees	20,000	20,000	20,000	20,000

## 18 Related parties

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire year:

### Non-executive directors

Professor Geoff Riordan	
Kamal Zreika	
Professor Anthony Moon	
Susan Kirk	(Resigned 6 October 2010)
Alex Rybak	(Resigned 23 June 2010)
Andrew Ho	(Resigned 6 October 2010)
Felicity Evans	(Resigned 6 October 2010)
Sandya Natarajan	(Resigned 6 October 2010)
William Paterson	
Professor Aron Murphy	(Resigned 16 February 2011)
Darren Bark	
Laurence Wainwright	
Danny Butnaru	(Appointed 7 October 2010)
James Fox	(Appointed 7 October 2010)
Ali Shaheer Syed	(Appointed 7 October 2010)
Jacqueline Wise	(Appointed 7 October 2010)
Benjamin Turner	(Appointed 7 October 2010)

### Executives

Tom O'Sullivan (UTS Union Limited, Chief Executive Officer)

### Transactions with key management personnel

The compensation received by non-executive key management personnel included in other expenses is as follows:

In AUD	Consolidated		Company	
	2010	2009	2010	2009
Director honoraria	7,500	7,500	7,500	7,500

The compensation received by executive key management personnel included in the personnel expenses is as follows:

In AUD	Consolidated		Company	
	2010	2009	2010	2009
Short-term employee benefits	199,872	182,966	190,998	174,587

### Other key management personnel transactions with the Company

From time to time, directors of the Company, or their related entities, may purchase goods from the Company. These purchases are on the same terms and conditions as those entered into by other Company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving director's interests existing at year-end.

**18 Related parties** *continued***Non-key management personnel****Identity of related parties**

The Company has a related party relationship with:

- University of Technology, Sydney (entity that exerts significant influence)
- UTS Haberfield Club Limited (controlled entity)

**Balances with related parties**

Aggregate amounts receivable from or payable to, each class of related party at reporting date:

<i>In AUD</i>	<b>Consolidated</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Current receivables				
Entity that exerts significant influence	385,566	200,786	385,566	200,786
Controlled entity	-	-	205,822	143,903
Current payables				
Entity that exerts significant influence	215,266	434,254	215,266	434,254

**Transactions with related parties**

Throughout the year, revenue is derived from and expenses incurred from University of Technology Sydney. These transactions are on the same terms and conditions as those entered into by any other entity or individual.

Aggregate amounts brought to account from transactions with University of Technology Sydney are:

<i>In AUD</i>	<b>Consolidated</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Staff fees contribution revenue	86,706	82,414	86,706	82,414
Functions revenue	1,418,861	1,056,642	1,418,861	1,056,642
Donation revenue	1,470,840	1,429,800	1,470,840	1,429,800
Grants revenue	1,557,546	1,512,214	1,557,546	1,512,214
Rental expense	(136,600)	(136,600)	(136,600)	(136,600)
School fees paid and borne by University of Technology, Sydney	-	70,000	-	70,000

Aggregate amounts brought to account from transactions with the controlled entity are:

<i>In AUD</i>	<b>Company</b>	
	<b>2010</b>	<b>2009</b>
Grants and donations to UTS Haberfield Club Limited	(40,000)	(40,000)
Management fee income from UTS Haberfield Club Limited	50,000	50,000

**19 Subsequent events**

There have been no events subsequent to reporting date which would have a material effect on the consolidated entity's financial statements at 31 December 2010.

**20 Auditor's remuneration**

<i>In AUD</i>	Consolidated		Company	
	2010	2009	2010	2009
<b>Audit services</b>				
Auditor of the Company				
KPMG Australia:				
Audit and review of financial reports	43,420	41,200	30,220	28,200
Preparation of general purpose financial report	12,980	12,400	7,280	6,800
	<b>56,400</b>	<b>53,600</b>	<b>37,500</b>	<b>35,000</b>
<b>Other services</b>				
Auditors of the Company				
KPMG Australia				
Advisory services	-	76,000	-	76,000
Taxation services	3,100	2,900	-	-
	<b>3,100</b>	<b>78,900</b>	<b>-</b>	<b>76,000</b>

## UTS Union Limited and it's Controlled Entity Directors' declaration

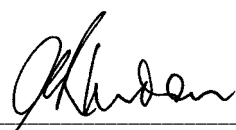
### In the opinion of the directors of UTS Union Ltd (the Company):

(a) the financial statements and notes that are set out on pages 18 to 31, are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 31 December 2010 and of their performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) 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.



A. Moon

Dated at Sydney this 28th day of April 2011.

## Independent audit report to the members of UTS Union Ltd

We have audited the accompanying financial report of UTS Union Ltd (the Company), which comprises the statements of financial position as at 31 December 2010, and statements of comprehensive income, statements of changes in members' funds and statements of cash flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### *Directors' responsibility for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

### *Auditor's responsibility*

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's and the consolidated entity's financial position and of their performance.

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

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

### *Auditor's opinion*

In our opinion, the financial report of UTS Union Ltd and its Controlled Entity is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 31 December 2010 and of their performance for the year ended on that date; and
- (ii) "complying with Australian Accounting Standards and the Corporations Regulations 2001.

KPMG



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Cameron Roan

Partner

Sydney

28th April 2011



