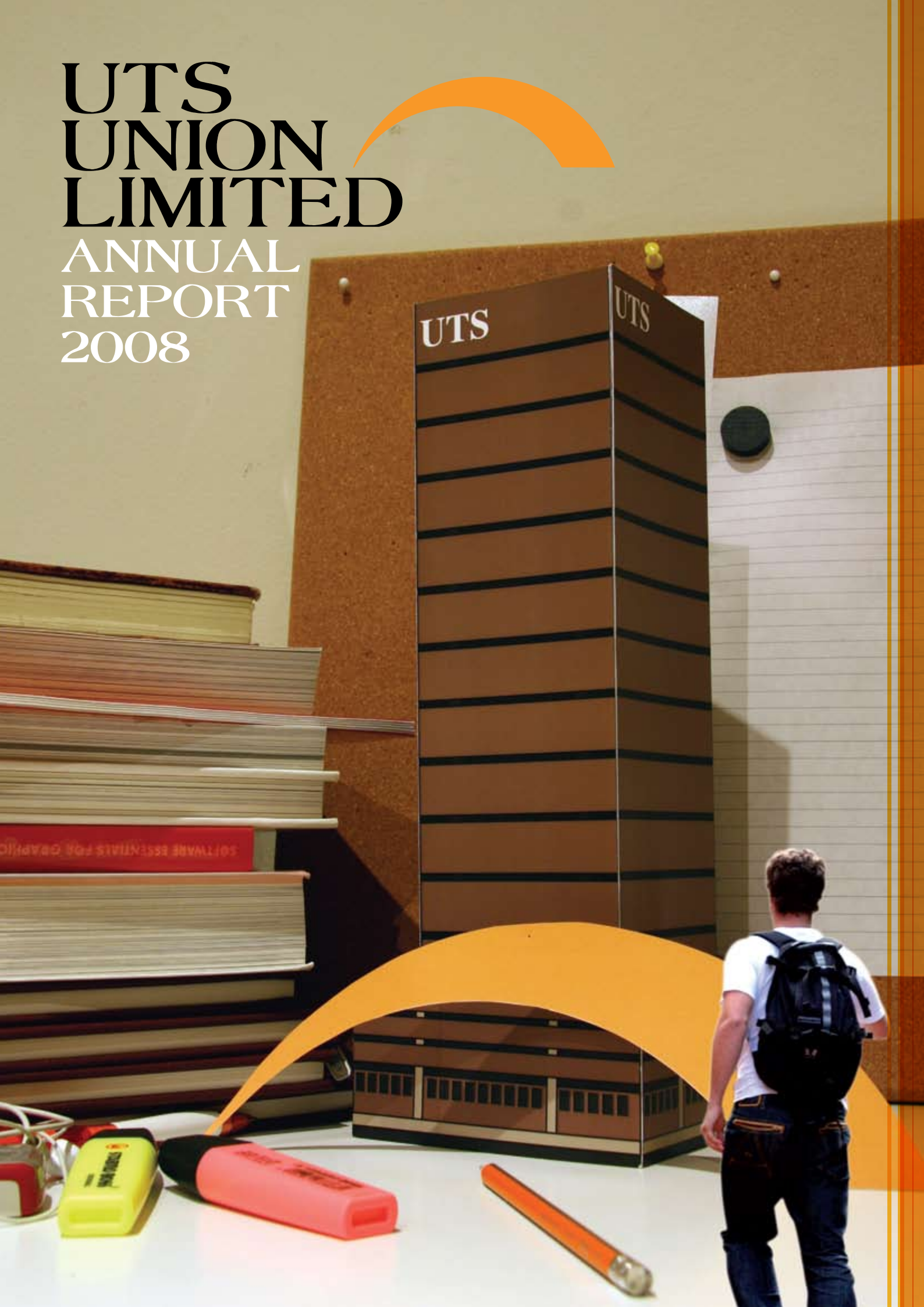


UTS UNION LIMITED

ANNUAL
REPORT
2008



UTS

UTS

Table of Contents

Board and Staff Listing	2
Chair's Report	3
President's Report	4
CEO's Report	5
Sport and Recreation Report.....	6
Events and Program Highlights	10
Directors' Report	14
Lead Auditor's independence declaration.....	16
Financial Report.....	17

Board & Staff Listing 2008

UTS UNION BOARD

Chair

Dr Judy Johnston [resigned 31 March 2008]
Associate Professor Geoff Riordan [appointed 1 April 2008]

Treasurer

Emeritus Professor Tony Moon

President

Mr David Latham [until 6 October 2008]
Ms Rebecca Trewick [from 7 October 2008]

Vice-President

Ms Rebecca Trewick [until 6 October 2008]
Ms Felicity Evans [from 7 October 2008]

3rd Council appointee

Dr Gloria Blondé

Staff-elected Directors

Ms Sue Kirk
Mr Paddy Parkhill

Student-elected Directors:

Ms Caitlin Emery [resigned 5 February 2008]
Mr Robert Malcolm [27 February-6 October 2008]
Mr Nigel Paschini [until 6 October 2008]
Ms Bharti Sharma [until 6 October 2008]
Mr Christopher Chase
Mr Kamal Zreika

CEO

Mr Tom O'Sullivan

SENIOR STAFF

Sport and Recreation Manager

Ms Elizabeth Brett

Retail Manager

Mr Paul Brien

Food and Beverage Manager

Mr Geoff Brooke-Smith

Marketing, Events and Programs Manager

Ms Linda Iacopetta [until 9 January 2009]

Marketing and Programs Manager

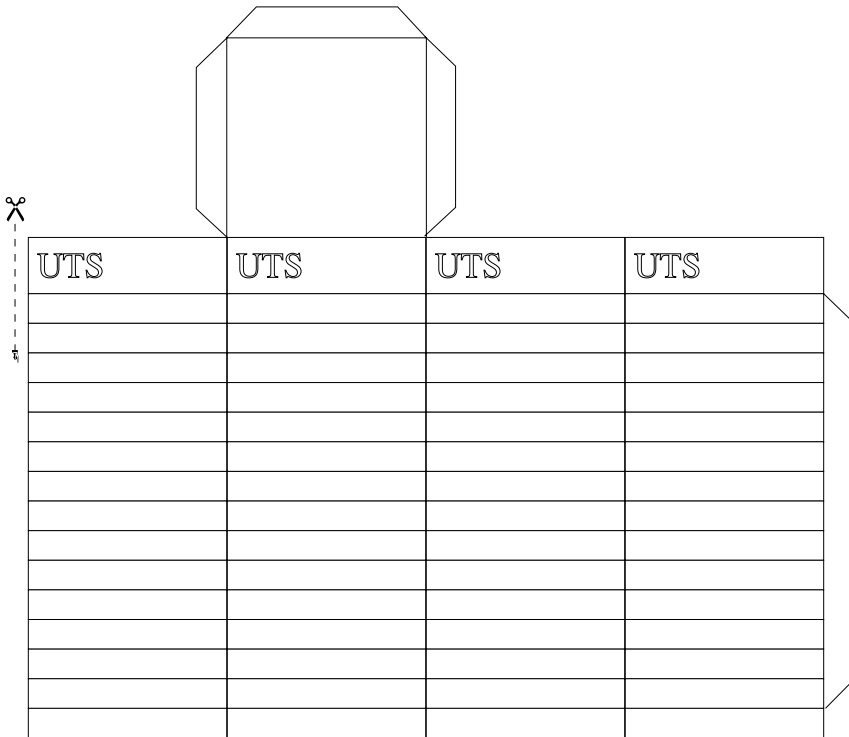
Mr Christian Gobolos [from 24 November 2008]

Director of Finance

Mr Alan Riley

Senior HR Officer

Mr Peter Rudd



Chair's Report

Early in 2008 I was honoured to be appointed by the Council of UTS to the position of Chair of the Union Board. At the end of March the Chair of the Board of Directors of the Union, Dr Judy Johnston, retired from that position after being a Director since 2000 and Chair of the Board since its incorporation in 2004. Judy's leadership of the Union underpinned many of the organisation's successes. In particular, she played a central and coordinating role in the Board's deliberations over the Union's responses to voluntary student unionism. On behalf of past and present Directors, I thank Judy for her substantial contribution to the Union over many years. I would also like to thank Dr Gloria Blondé who retired from the Board at the end of the year for her contributions to the Union since 2006.

The depth and breadth of the Union's role at UTS are attributable to generous financial support provided by the University, the professionalism and commitment of the Union staff, and the involvement of the University community in Union activities. This involvement is evident throughout the University in the participation of the UTS Council and the Chancellor, Professor Vicki Sara, the University Executive led by the Vice-Chancellor, Professor Ross Milbourne, and including the Deputy Vice-Chancellors Shirley Alexander, Ros Dubs and Patrick Woods, University staff in general, the student and staff alumni, many of whom continue their association with the University through their active involvement in University clubs and societies, and most importantly, the current students of the University.

There were many successes and highlights during 2008 featured throughout this Annual Report. Equally pleasing was the increasing involvement of members of the University in Union activities and celebrations. These reflect not only on the wide range of gifts and talents of the individuals involved, but also on the University as a community. UTS does not have the complacency that comes with a long history and established traditions. It does not take itself too seriously. It is not exclusive. It is good humoured, young, vibrant, positive, active, successful, friendly and open. And in 2008, with its many achievements and the announcement of an ambitious campus development plan, increasingly self-confident about its place in the world.

UTS celebrated its 20th Anniversary during 2008 and the Union was involved in a number of memorable events to mark that important occasion, including a fantastic evening of dancing, dining and fireworks to the big, playful sound of the swing band, Velvet Set. Throughout the year, the Union made good use of Alumni Green for student events which included Orientation, movie nights, barbecues and club activities.

The previous Chair, Judy Johnson, along with previous Boards and the Union Executive faced enormous challenges as a result of the introduction of VSU. The success of 2008 and ongoing strength of the Union are largely due to their good judgement and management coupled with the financial support of the University. The leadership of the President, David Latham, and Vice-President, Rebecca Trewick and their active involvement in so many activities exemplified the UTS spirit and set the standard for student life and involvement in the University. I would like to thank David and Rebecca, all the members of the 2008 Board, Tom O'Sullivan and the Union staff, and the senior leadership of the University for your contributions to the University and the Union and congratulate you and the rest of the Union on your many successes during 2008.

I commend this Annual Report to the University and Council.

Associate Professor Geoff Riordan
 UTS Union Chair, 2008

President's Report

The year 2008 has been an exciting and successful year for UTS Union, a year in which it stood against the odds and prevailed against an economic and political climate that has seen many other organisations in our industry fail. The Union revitalised itself, despite the severe challenge posed by voluntary student unionism (VSU), with an unwavering determination to continue to deliver quality services to the UTS community. 2008 was the year that UTS Union got its groove back.

The Board of 2008 took a proactive and ambitious approach towards engaging students on a whole new level. By bringing together experience, financial discipline, a strong marketing strategy, a focus on students and a belief that anything was possible the Board sought to revitalise the Union and direct its attention towards engaging the UTS community and improving Student Life on campus while remaining competitive and maintaining the Union's healthy financial position.

The Board believed that in order to ensure the success of its agenda, it must maintain the Union's strong financial position. The leadership demonstrated by the CEO, Tom O'Sullivan, and the Director of Finance, Alan Riley, was instrumental in allowing the Board to make the correct spending and investment decisions throughout the year and to balance its financial responsibilities and constitutional charter to deliver services.

The Union's campaign to re-engage and build its relationship with the UTS community in 2008 was a fantastic success. The activity of the Union's affiliated clubs increased significantly over 2007 with a greater frequency of club events which continued to draw larger turnouts of UTS students. The Union also hosted a number of large and popular events including the first annual Festival Day and the semester parties which assisted in improving the social atmosphere on campus. A reflection of the success of the Union's social program and marketing strategies could be seen in the significant increase in the number of students signing up to the Advantage Program.

It was the opinion of the Board that the upgrading of key facilities would allow the Union to renew its image and allow it to give more back to the UTS community. In early 2008 the Union refurbished its level 3 food court for the first time in 12 years. The refurbishment of this core facility also provided an opportunity for the Union to meet its commitment to the UTS Environmental Sustainability Initiative by installing environmentally friendly furniture and lighting. A decision to undertake the construction of a new function centre was viewed by the Union as a chance to provide students and the broader UTS community with a modern, first grade conference facility in addition to allowing it to continue to improve the quality of its catering services.

The quest to refocus the Union's direction and re-engage it with the UTS community culminated in the re-branding of the Union. This process saw the unveiling of a fresh, modernised and relevant logo that represented the current UTS community.

For the Union, 2008 was a year of achievements. The Union was privileged to work in partnership with the University to celebrate its 20th birthday by hosting the 20th Anniversary Swing Party. The Union also played a pivotal role in the fight against VSU, secured a funding agreement with the University to ensure that it can continue to improve Student Life at UTS, and produced a set of phenomenal results in the sporting arena. UTS Norths Athletics clubs was named the NSW Athletics Club of the Year, UTS Rowing continued its strong performance and sent a number of rowers to Beijing to compete in the 2008 Olympics and the UTS team won the East Coast Challenge for the first time.

The Union would not have been able to have produced such a strong result at the end of 2008 without the continued support of the University and its leadership team including the University Council, Chancellor Professor Vicki Sara, Vice-Chancellor, Professor Ross Milbourne, Deputy Vice-Chancellor (Resources), Patrick Woods and Deputy Vice-Chancellor (Teaching, Learning and Equity), Professor Shirley Alexander. Their support has been a source of strength for the Union and it was a great inspiration to see our University having the courage and determination to stand up for the Union and Student Life at UTS.

2008 was a year that saw the Union move from strength to strength in the face of adversity. The guidance of the Union by the Board and its management team, in addition to the continued support of the Union by the University, will ensure that the Union is able to continue to improve the quality of Student Life at UTS for many years to come.

David Latham
UTS Union President 2008

CEO's Report

2008 represented another year of the Union's determination to succeed while operating in the challenging environment of voluntary student unionism. As I reported last year, the Union's capacity to not only survive but flourish during this period is inextricably linked to the ongoing support of the University. This support was formalised into a three-year agreement at the start of the year which is a positive indicator of the relationship between the Union and the University.

After the Union's Chair since 2004, Dr Judy Johnston, retired at the end of March, her replacement, Associate Professor Geoff Riordan, took up the leadership of the organisation with great enthusiasm, continued Dr Johnston's consensus-based approach to Board deliberations and has been most supportive of all staff within the Union.

Beyond the formal support of the University mentioned above, the Union also participated in the University's 20th Anniversary celebrations by coordinating, with Deputy Vice-Chancellor Anne Dwyer, an intervarsity rowing challenge, a Sports Day at Kuring-gai and a celebratory Swing Party to close off the Anniversary Week festivities. The Union was very pleased to contribute to the anniversary celebrations as it is often the recipient of the University support through the Union's own formal events and celebrations. In particular, the Vice-Chancellor, Professor Ross Milbourne, and Deputy Vice-Chancellors Shirley Alexander, Patrick Woods and Rosalind Dubs, have assisted the Union in many areas and send a tangible message of support by their regular attendances at both informal and formal Union events.

During the year, the Union undertook a review of its Constitution as well as the Constitution of the UTS Haberfield Club. The collaboration with the University over the review of the Union's Constitution was further evidence of the engagement between the Union and the University. From an organisational point of view, the review of the Constitution was a very important process, undertaken for the first time since the organisation's incorporation in 2004. Both the Union and the University recognise that the revised Constitution will place the Union in the best position to ensure its role as the provider of campus life is continued and to provide the foundation for its long-term operational and financial sustainability.

Two important capital projects were developed in 2008. Firstly, the refurbishment of the Union's main centre in Building 1 produced the intended outcomes of modernising the services and facilities in that space and supporting the trading results for the Union's Food and Beverage and Retail Departments. Secondly, the Union and the University agreed to relocate the existing Functions Centre from Building 1 to Building 10. As another indicator of

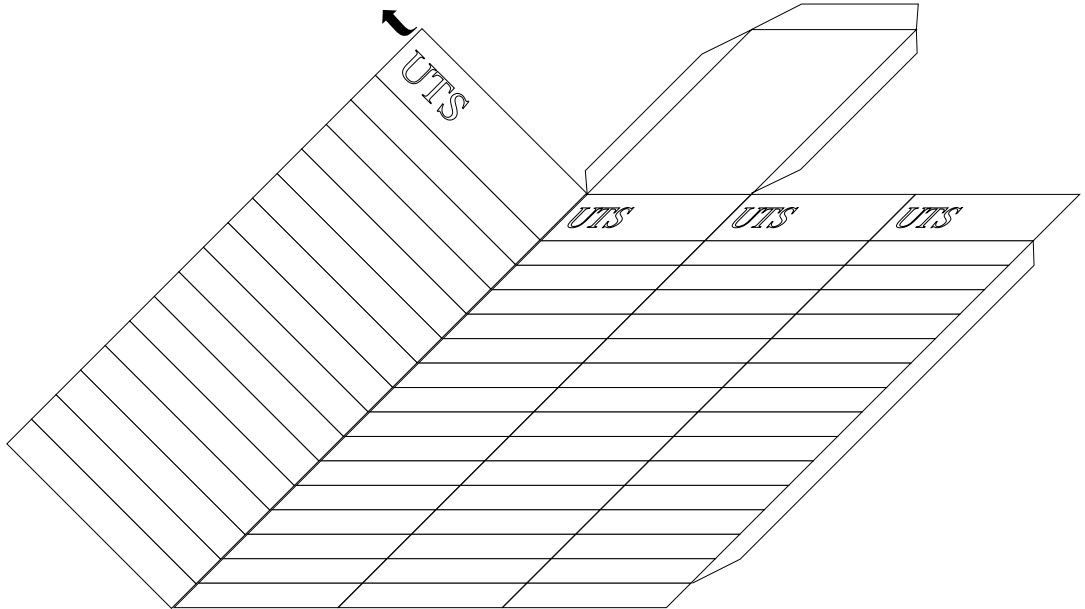
the strong relationship between the Union and the University, the capital outlays for the new Centre will be shared between the two parties and the operations of the Centre will generate returns for the Union to be applied to student programs and services. By year end, the architectural firm Tzannes had been appointed to design the new facility and preliminary demolition work at the new location had commenced.

In a financial sense the Union managed to achieve its predicted outcomes despite not only VSU but also a deteriorating business environment in the second half of the year. Given that context the Union is very pleased with the announcement by the Federal Government that it intends to reintroduce services fees. The results enumerated elsewhere in this report reflect the collective efforts of the Union's managers and staff. The Union is a unique organisation whereby its capacity to deliver its social, cultural, sporting and recreational programs heavily depends upon the contributions from the trading areas in food and beverages, retail and functions. In particular, the leadership of the various areas by the Union's Department Heads and their tireless efforts have ensured not only the solid financial results but also the operational and program highlights covered elsewhere in this report.

The Union has faced many challenges in recent years and its ability to meet these challenges directly links to the strong governance and sound decisions from the Board of Directors. The past and current Chairs of the Board, Dr Judy Johnston and Associate Professor Geoff Riordan, have led the organisation in a positive and pro-active manner. The Union's governance model ensures a key role from student directors and it has been a pleasure to work with the President David Latham and Vice-President Rebecca Trewick throughout the year. The other member of the Union Board's Executive Team, Emeritus Professor Tony Moon, continues to make an extremely valuable contribution to the Union via his oversight of the organisation's finances and his participation in other Union committees and projects.

I commend this Annual Report to the University community.

Tom O'Sullivan
CEO



Sport & Recreation Report

2008 was a highly successful year for the UTS Union Sport and Recreation Department.

2008 High Performance Sports Scholars

Among our high performance sports scholars UTS can boast Olympians, National and State Champions. Their amazing results at home and abroad have not only come about through their dedication and discipline, but also through the many opportunities created for them as a result of their participation in our sports scholarship program.

Athletics scholar Lucy Starrat finished in 20th place at the World Uni Cross Country Championships, held in France in April. This was an outstanding effort for Lucy who had just returned from an injury plagued 2007 season.

Hayder Shkara, a first year UTS Law Student, was crowned NSW Taekwondo Champion for the second year running in August this year. Hayder competes in the 67 – 72kg Male Black Belt Division, one of the most hotly contested divisions in Taekwondo.

The 2008 Australian University Match Racing team, with UTS student Lucinda Whitty, sailed strongly at this year's World University Sailing Championship, finishing fourth to just miss out on the bronze medal 2-1 in the final against the USA crew. The regatta was held in Poland from 1-6 July where the Baltic provided some rough racing conditions.

2008 Beijing Olympics

UTS had six athletes competing in Beijing. In Rowing, the University was represented by four athletes from the UTS Rowing Club: Stephen Stewart, James Chapman, Sam Loch and Dave Dennis. Our boys made it through to the final and finished sixth in tough conditions. UTS Masters student Angela Farrell competed in the Yling Yling sailing event, finishing eighth on finals day and UTS alumnus Mark Bellofiore competed in the Canoe Slalom C2 and finished an amazing seventh.

East Coast Challenge

UTS had the biggest team at the challenge and we were hopeful of surpassing last year's third place. On finals day, UTS had seven teams competing for a gold medal. In the end, UTS defeated its nearest rival, host Macquarie University, by 61 points and for the first time in our 20 year history, secured the overall points score and won the East Coast Challenge.

Australian University Games

Moving forward a couple of months, and the UTS team found itself down in Melbourne for the Australian University Games. We sent away one of our biggest teams with 304 athletes. When all the points were tallied up at the end of the week, UTS finished eighth out of 42 Universities, up two places from 2007, our best ever result.

For our Sports Clubs, 2008 was year of fantastic results and some historic moments.

Athletics

UTS Northern Suburbs Athletic Club celebrated its 80th Birthday in 2008. The Club hosted a magnificent function in June and its guests included a number of its current and past Olympians. The night highlighted the amazing depth and community spirit within the Club, which exists because of the number of people who volunteer their time and effort into coaching, management and administration. UTS Norths were also crowned the NSW Athletic Club of the Year for the third year in a row, and at the most recent NSW State Relay Championships they won 16 Gold, 18 Silver and six bronze.

Fencing

The UTS Fencing Club had another magnificent year. Coming first in the Calibre Cup was the women's sabre team and the men's and women's foil finished 2nd at the Perth International Tournament in July. Club President Melissa Yeung, ranked third in Australia for Women's Sabre, was named as a shadow member in the Australian Olympic Fencing Team.

Rowing

Alongside the Club's four Olympic representatives the UTS Rowing Club had two athletes representing Australia at the 2008 World Championships in Linz. Miranda Bennett won her third World Championship Gold in as many campaigns and Club Captain Nick Baxter won Bronze in the Men's Coxed Pair. UTS Women's Coach, Ellen Randell, was again selected as the Australian Head Coach for her 9th World Championships campaign.

Volleyball

This was the second year that UTS and Sydney University joined forces for the Australian Women's Volleyball League. Last year the team came home with the silver and this year the team won the gold and was crowned the 2008 Australian Volleyball League National Champions. The team dropped only one game throughout the season and following the Grand Final, UTS Coach, Nam Pham was named as the assistant coach for the Australian women's team tour to Vietnam and Thailand.

City 2 Surf

The 2008 City 2 Surf was held with a record number of over 65,000 entrants. UTS fielded a team of 250 participants and the sea of teal and black could be seen crossing the finish line at Bondi all afternoon. The marquee provided a wonderful opportunity for the entire UTS Team to come together and swap stories of the day.

2008 Full Blues Winners

Lucy Starrat	Athletics
Melissa Yeung	Fencing
David Rodgers	Gymnastics
Joanne Brigden-Jones	Kayaking
Jamie Blazejewski	Rugby League
Hugh Tait	Sailing, NS14 Class
James Stacey	Swimming
Peter Procter	Waterskiing

2008 Half-Blues Winners

Charlotte Yeates	Athletics
Mitchell Cork	Basketball
Chris Grayson	Football
David Spence	Hockey
Adam Vuvzinyak	Judo
Tomoko Matsuda	Judo
Daisuke Taira	Kendo
Brynne Allen	Rowing
Laura Dunn	Rowing
David Kennett	Rugby Union
Thomas Morton	Rugby Union
Ronald Pena	Rugby Union
Phil Maclarn	Snowboarding
Miguel Rubini	Squash
Andrew Beato	Swimming
Hayder Shkara	Taekwondo
Phi-Kang Bui-Mai	Taekwondo
Sam Hold	Tennis
Christian Alonzo	Touch Football
Taya Conomos	Touch Football
Alex McOnie	Touch Football
Justin O'Donnel	Touch Football
Ben Turner	Water Polo
Emma Hamilton Foster	Water Polo

2008 Club of the Year Joint Winners

UTS Northern Suburbs Athletic Club and
UTS Hockey Club

2008 Sportsman of the Year

Peter Procter, Waterski

2008 Sportswoman of the Year

Joanne Brigden-Jones, Kayaking

2008 UTS Union Service Award

Nam Pham, UTS Volleyball Club

UTS

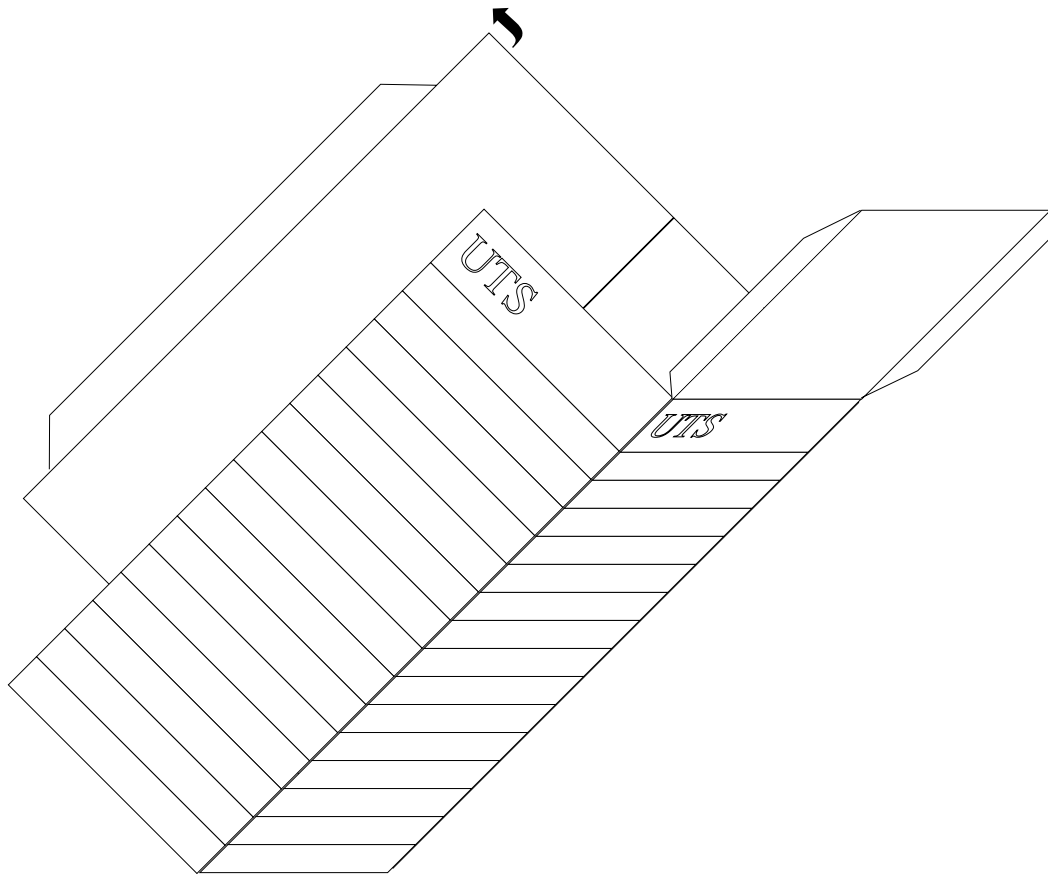


CD/CD/DVD
For more information, visit
www.uts.edu.au

ALCATRA

Events & Program Highlights

- The introduction of the first two day orientation event worked extremely successfully with the 'Clubs Day' being held on Wednesday 20th February and the first music festival (O-Festival) being held on the Alumni Green on Friday 22nd. There were a number of high profile DJs that performed at the event and paved the way for the year in entertainment and social events for the Union.
- The 'Gigs in the Glasshouse' built momentum with one series being played in first semester and another later in the year. There were a number of high quality performers that played in the Glasshouse Bar, many of whom have been recognised in the Australian music industry and played at nationally renowned gigs such as Homebake or Big Day Out.
- The Union kept up its tradition in providing monthly BBQs and live DJ music for the entertainment of students. Both CBD and Kuring-Gai campuses were incorporated in these social activities.
- Outdoor Cinema was a new event that was introduced for the Alumni Green. Two screenings were held in the warmer months of March and October.
- There was greater use of the Alumni Green with events such as O-Festival, Clubs Day, Games on the Green, Outdoor Cinema, Fair Day, and 20th Anniversary celebrations being examples of the diversity of events that can be held on an outdoor location.
- In conjunction with other departments the Union supported the UTS 20th Anniversary celebrations held in May. These included an official opening, the Rowing Challenge between UTS and Sydney University, Sports Day at Kuring-Gai, Swing back to Broadway Party featuring Velvet Set and a fireworks display.
- Live music was held in the Loft on Wednesday, Thursday and Friday nights. Through street publication advertising we developed a strong following from local students and community members.



- The Amazing Race continued in 2008 with two events being held during the year. Over 30 clubs and 100 participants were involved in the races to generate a great atmosphere around the campus.
- In the tradition of football loyalty, the NRL State of Origin parties were held in the Glasshouse Bar. Special promotions and face painting in team colours allowed the students to watch the game on the big screen to cheer on their team to victory.
- The Union continued its support of UTS events such as Infusion festival, Residences Annual Dinner, Careers Day and Information Day for potential local and international students.
- The 2008 Volunteer of the Year was awarded to Emma Lovell from the club '85 Broads' for her dedicated contribution to events, operations and promotions being coordinated by the Union.
- The 'Club of the Year Award' in 2008 was shared by two clubs – The Engineering Society and 85 Broads for their commitment and dedication towards providing successful events for their members and support of the Union.

New Clubs on Campus

There were a number of new clubs that affiliated themselves with the Union including:

- Aces (Australian Collaborative Entrepreneurial Society)
- I'Heart' UTS
- Exposure (Photography) Club
- S.A.R.S (Students Automotive Recreation Society)
- Aboriginal Torres Straight Islander Club
- Journalist Society
- Beer Society

This reflects an increase in students looking to create new clubs and recognise the assistance they receive from the Union.

2008 Activities Club Person of the Year

85 Broads	Katrina Goh
ACES UTS	Ahmed Haider
AIESEC UTS	Trang Pham
BiG	Melanie Hambarsoomian
Catholic Asian Students' Society	Jessica Chu
Credo	Jeanette Waddell
Debating Society	Zoya Sheftalovich
EGG	Phillip Fyvie
Exposure	Shaza Iman
Falun Dafa	Zhengzhi Zhang
FRESS	Mathilde Longueville
HUTS	Maxine Mitchell
I'Heart' UTS	Andrew Ho
JASS	Megumi Koze
MASA	Li Ying Yeo
MTO SUFI Association	Behrooz Shojaei
MuscUTS	Lyndell Hills
Salad Bowl	Anderson Lam
Sci Vs Sci	Lisa Smith
UTS Beer Society	Michael Atme
UTS Business Connection	Neo Li
UTS Engineering Society	Nassar Zeitoune
UTS European Society	Costantino Marotta
UTS Red Cross Society	Sarra Gabsi
UTS Wine Society	Peter Yardley

UTS



Directors' Report

For year ended 31 December 2008

The directors present their report together with the financial report of UTS Union Limited ('the Company') and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 31 December 2008 and the auditor's report thereon.

1. Directors

The directors of the consolidated entity at any time during or since the end of the financial year are:

Associate Professor Geoffrey Riordan

BEd, MEdAdmin, PhD
Appointed 1 April 2008

Dr Judith Johnston

BA, M.Litt, M.Pub.Pol, PhD,
Associate Professor
Appointed 14 November 2003
Resigned 31 March 2008

Tom O'Sullivan

BA, LLB
Chief Executive Officer
Appointed 30 June 2004

Dr Gloria Blondé

BA, Grad Dip (Comm Mgmt),
MAppFC, DBA
University staff
Appointed 1 February 2006
Resigned 31 December 2008

David Latham

Student
Appointed 7 October 2006
Resigned 6 October 2008

Susan Kirk

BSc, GradDipOT
University Staff
Appointed 7 October 2006

Kamal Zreika

Student
Appointed 7 October 2007

James Parkhill

University Staff
Appointed 1 January 2004

Bharti Sharma

Student
Appointed 7 October 2004
Resigned 6 October 2008

Professor Anthony Moon

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

Caitlin Emery

Student
Appointed 7 October 2006
Resigned 5 February 2008

Nigel Paschini

Student
Appointed 7 October 2006
Resigned 6 October 2008

Robert Malcolm

Student
Appointed 27 February 2008
Resigned 6 October 2008

Christopher Chase

Student
Appointed 7 October 2007

Rebecca Trewick

Student
Appointed 7 October 2007

Alex Rybak

Student
Appointed 7 October 2008

Andrew Ho

Student
Appointed 7 October 2008

Felicity Evans

Student
Appointed 7 October 2008

Sandya Natarajan

Student
Appointed 7 October 2008

William Paterson

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

2 Company secretary

Tom O'Sullivan was appointed to the position of Company Secretary in June 2004.

3 Directors' meetings

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

BOARD MEETINGS		
Director	Number of meetings attended	Number of meetings held *
J. Johnston	3	3
G. Riordan	8	10
P. Parkhill	10	13
T. O'Sullivan	13	13
B. Sharma	7	10
A. Moon	12	13
G. Blondé	11	13
C. Emery	0	0
D. Latham	9	10
N. Paschini	3	10
S. Kirk	12	13
C. Chase	7	13
R. Trewick	12	13
K. Zreika	10	13
A. Rybak	3	3
A. Ho	3	3
F. Evans	3	3
S. Natarajan	3	3
R. Malcolm	6	6

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

4 Principal activities

The principal activities of the consolidated entity during the course of the financial year consisted of 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.

5 Operating and financial review

Overview of the consolidated entity

The Company's profit after tax for the year amounted to \$35,161 (2007: \$498,041 profit). This resulted after charging \$325,173 (2007: \$301,764) for depreciation and charging \$Nil (2007: \$Nil) for income tax.

The reason for this decrease in profitability is largely due to the increase in personnel expenses, events and function expenses, rent and rates expense, and other expenses.

The consolidated entity's loss after tax for the year amounted to \$42,102 (2007: \$489,369 profit). This resulted after charging \$344,494 (2007: \$319,899) for depreciation and charging \$Nil (2007: \$Nil) for income tax.

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

6 Membership

The Company is limited by guarantee and without a share capital. The Company has only one member, being University of Technology, Sydney.

7 Environmental regulation

The consolidated entity is subject to various environmental regulations under both Commonwealth and State legislation.

The Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

8 Dividends

The Company is a non-profit organisation and is prevented by its constitution from paying dividends.

9 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

10 Likely developments

The directors do not anticipate any particular change in the operation of the Company that will affect the results in subsequent years.

11 Indemnification and insurance of officers

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contract, as such disclosure is prohibited under the terms of the contract.

12 Lead auditor's independence declaration

The lead auditor's independence declaration is set out on this page and forms part of the directors' report for financial year ended 31 December 2008.

This report is made with a resolution of the directors:



G. Riordan
Director

Dated at Sydney this 29th day of April 2009.

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 2008, 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



Cameron Roan
Partner

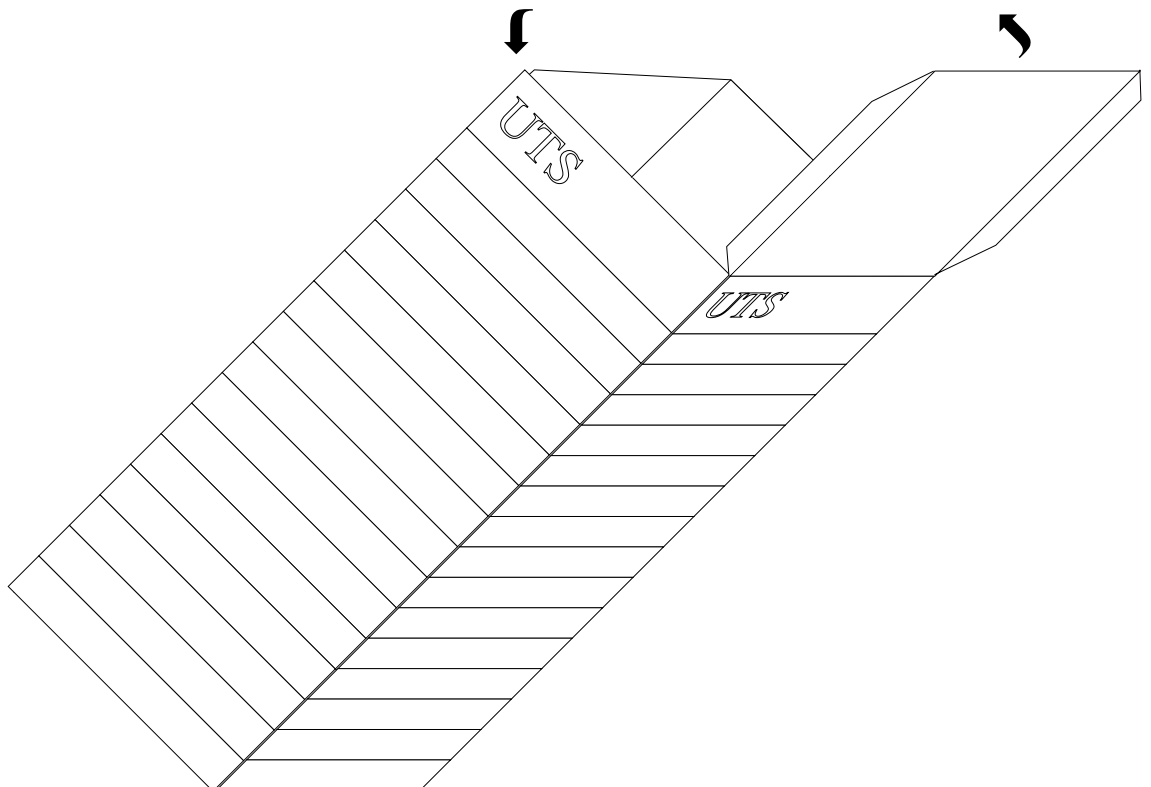
Sydney

29 April 2009



Financial Report

UTS Union Limited and its Controlled Entity
For year ended 31 December 2008



Income statements For the year ended 31 December 2008

In AUD	Note	Consolidated		Company	
		2008	2007	2008	2007
Revenue	6	10,584,763	11,059,201	9,803,088	9,660,956
Other income	7	6,506	13,131	6,506	13,131
Cost of goods sold		(3,259,496)	(3,819,443)	(3,045,767)	(3,033,904)
Board expenses		(50,199)	(31,389)	(50,199)	(31,389)
Personnel expenses	8	(4,482,426)	(4,300,749)	(4,207,106)	(4,018,964)
Cleaning expenses		(211,021)	(196,169)	(211,021)	(196,169)
Donation expenses		-	-	-	-
Events and function expenses		(305,866)	(227,186)	(269,300)	(195,457)
Grant expenses		(1,168,464)	(1,180,387)	(1,168,464)	(1,180,387)
Insurance expenses		(32,164)	(29,086)	-	-
Poker machine expenses		(7,192)	(14,518)	-	-
Professional services expenses		(60,418)	(110,308)	(39,188)	(82,897)
Promotions and publications expenses		(238,125)	(204,830)	(238,125)	(204,830)
Property expenses		(393,096)	(339,116)	(287,470)	(245,547)
Rent and rates expenses		(199,351)	(51,814)	(135,198)	3,400
Repairs and maintenance expenses		(256,572)	(227,831)	(211,283)	(197,701)
Other expenses		(673,633)	(469,367)	(634,351)	(428,919)
Earnings before financing costs, income tax and depreciation		(746,754)	(129,861)	(687,878)	(138,677)
Depreciation	11	(344,494)	(319,899)	(325,173)	(301,764)
Results from operating activities		(1,091,248)	(449,760)	(1,013,051)	(440,441)
Finance income	9	1,049,146	939,129	1,048,212	938,482
(Loss)/Profit before income tax		(42,102)	489,369	35,161	498,041
Income tax expense	10	-	-	-	-
(Loss)/profit for the period		(42,102)	489,369	35,161	498,041

The notes on pages 11 to 32 are an integral part of these consolidated financial statements.

Statement of recognised income & expense For the year ended 31 December 2008

In AUD	Note	Consolidated		Company	
		2008	2007	2008	2007
Income and expense recognised directly in equity		-	-	-	-
Profit for the period		(42,102)	489,369	35,161	498,041
Total recognised income and expense for the period	15	(42,102)	489,369	35,161	498,041
Retained earnings at 1 January	15	15,887,679	15,398,310	15,613,866	15,115,825
Retained earnings at 31 December	15	15,845,577	15,887,679	15,649,027	15,613,866

The notes on pages 11 to 32 are an integral part of these consolidated financial statements.

Balance sheets As at 31 December 2008

In AUD	Note	Consolidated		Company	
		2008	2007	2008	2007
Assets					
Cash and cash equivalents	14	13,290,934	14,038,283	12,956,103	13,844,321
Trade and other receivables	13	627,534	547,229	678,005	540,627
Inventories	12	722,754	679,450	701,324	659,394
Total current assets		14,641,222	15,264,962	14,335,432	15,044,342
Property, plant and equipment	11	2,255,685	1,884,242	2,228,123	1,840,323
Total non-current assets		2,255,685	1,884,242	2,228,123	1,840,323
Total assets		16,896,907	17,149,204	16,563,555	16,884,665
Liabilities					
Trade and other payables	17	850,825	1,091,177	730,619	1,113,918
Employee benefits	16	181,954	153,919	165,358	140,452
Total current liabilities		1,032,779	1,245,096	895,977	1,254,370
Employee benefits	16	18,551	16,429	18,551	16,429
Total non-current liabilities		18,551	16,429	18,551	16,429
Total liabilities		1,051,330	1,261,525	914,528	1,270,799
Net assets		15,845,577	15,887,679	15,649,027	15,613,866
Members' funds					
Retained earnings	15	15,845,577	15,887,679	15,649,027	15,613,866
Total members' funds		15,845,577	15,887,679	15,649,027	15,613,866

The notes on pages 11 to 32 are an integral part of these consolidated financial statements.

Statement of cash flows For the year ended 31 December 2008

In AUD	Note	Consolidated		Company	
		2008	2007	2008	2007
Cash flows from operating activities					
Cash receipts from customers		11,562,934	11,304,139	10,709,016	10,486,614
Cash paid to suppliers and employees		(12,649,998)	(12,005,752)	(11,764,878)	(11,278,347)
Cash generated from operations		(1,087,064)	(701,613)	(1,055,862)	(791,733)
Interest received		1,049,146	939,129	1,048,212	938,482
Net cash flows (used in)/from operating activities	22	(37,918)	237,516	(7,650)	146,749
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		67,000	114,127	67,000	114,127
Acquisition of property, plant and equipment		(776,431)	(364,258)	(773,467)	(345,272)
Net cash flows used in investing activities		(709,431)	(250,131)	(706,467)	(231,145)
Cash flows from financing activities					
(Loans to) / proceeds from related party		-	-	(62,997)	111,330
(Repayment to) / loan from related party		-	-	(111,104)	111,104
Net cash flows (used in)/from financing activities		-	-	(174,101)	222,434
Net (decrease)/increase in cash and cash equivalents		(747,349)	(12,615)	(888,218)	138,038
Cash and cash equivalents at beginning of period		14,038,283	14,050,898	13,844,321	13,706,283
Cash and cash equivalents at end of period	14	13,290,934	14,038,283	12,956,103	13,844,321

The notes on pages 11 to 32 are an integral part of these consolidated financial statements.

Notes to Financial Statements

1 Reporting entity

UTS Union Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is University of Technology, Level 6 Tower Building, 1 Broadway, Broadway NSW 2007. The consolidated financial statements of the Company as at and for the year ended 31 December 2008 comprise the Company and its controlled entity (together referred to as the "consolidated entity").

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 financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board ("AASB"), the Corporations Act 2001, the Registered Clubs Amendment Act and the Gaming Machines Tax Act 2001. The financial report of the Company complies with International Financial Reporting Standards IFRSs and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 29 April 2009.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements 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.

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 consolidated entity entities.

The Company and consolidated entity have elected to early adopt the following accounting standards and amendments:

- AASB 8 Operating Segments
- AASB 2007-7 Amendments to Australian Accounting Standards arising from AASB 8

The directors have elected to early adopt AASB 8 Operating Segments. The scope of this standard is narrower than AASB 114 Segment Reporting and applies only to entities whose debt or equity securities are traded in a public market or are entities in the process of filing financial statements with a regulatory organisation for the purpose of issuing a class of instruments in a public market. The Company and its controlled entity do not fall into either of these categories, and hence is not required to disclose segment information.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the consolidated entity. Control exists when the consolidated entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. 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 any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the consolidated entity's contractual rights to the cash flows from the financial assets expire or if the consolidated entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the consolidated entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses (see note 3(e)(i)).

(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 expenditures that are 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 asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

(ii) Subsequent costs

The cost of replacing part 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 part 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 recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the consolidated entity will obtain ownership by the end of the lease term.

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

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

The residual value, the useful life and the depreciation method applied to an asset are reassessed at each reporting date.

(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) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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 original effective interest rate.

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in 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.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the profit or loss.

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 expense in profit or loss when they are due.

(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.

(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 by the consolidated entity that 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

Revenue from the sale of goods comprises revenue earned from the provision of beverage and other goods and is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from gaming facilities together with other services to members and other patrons of the Company is recognised in profit or loss when the services are provided.

(iii) Other revenue

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

(h) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit and loss using the effective interest method.

(i) Income tax

The Company is exempt from income tax pursuant to section 50 - 5 of the Income Tax Assessment Act 1997 and has received endorsement as an income exempt charity pursuant to section 50 - B of the Income Tax Assessment Act.

(j) 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 balance sheet.

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.

(k) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 31 December 2008, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in a income statement and a separate statement of comprehensive income.
- Revised AASB 101, which becomes mandatory for the consolidated entity's 31 December 2009 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement of comprehensive income for its 2009 consolidated financial statements.
- Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the consolidated entity's 31 December 2009 financial statements and will constitute a change in accounting policy for the consolidated entity. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore there will be no impact on prior periods in the Group's 31 December 2009 financial statements.
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the consolidated entity's 31 December 2009 financial statements, are not expected to have any impact on the financial statements.

4 Determination of fair values

One of the consolidated entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables/payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

5 Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and consolidated entity's and consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Directors have 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 Company and consolidated entity, 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 Company's and consolidated entity's activities. The Company and consolidated entity, through their 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 oversee how management monitors compliance with the Company's and consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company and consolidated entity.

Credit risk

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

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Company and consolidated entity will not be able to meet its financial obligations as they fall due. The Company's and consolidated entity's approach to managing liquidity are to ensure, as far as possible, that they will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's and consolidated entity's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's and consolidated entity'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.

Interest rate risk

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

6 Revenue

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Revenue from sale of goods	6,928,671	6,804,514	6,377,789	6,272,420
Member fees	467,361	267,933	225,447	267,933
Revenue from rendering of services	886,987	1,729,948	886,987	870,786
Other revenue	2,301,744	2,256,806	2,312,865	2,249,817
	<u>10,584,763</u>	<u>11,059,201</u>	<u>9,803,088</u>	<u>9,660,956</u>

7 Other income

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Net gain on disposal of property, plant and equipment	6,506	13,131	6,506	13,131
	<u>6,506</u>	<u>13,131</u>	<u>6,506</u>	<u>13,131</u>

8 Personnel expenses

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Wages and salaries	3,928,460	3,569,603	3,694,472	3,336,705
Other associated personnel expenses	351,831	450,440	334,801	433,062
Contributions to defined contribution superannuation funds"	194,067	318,786	172,894	298,691
Movement in liability for annual leave	5,251	26,443	2,122	15,029
Movement in liability for long-service leave	2,817	(64,523)	2,817	(64,523)
	<u>4,482,426</u>	<u>4,300,749</u>	<u>4,207,106</u>	<u>4,018,964</u>

9 Finance income

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Recognised in profit or loss				
Interest income	1,049,146	939,129	1,048,212	938,482
Net financing income	<u>1,049,146</u>	<u>939,129</u>	<u>1,048,212</u>	<u>938,482</u>

10 Income tax expense

Numerical reconciliation between tax expense and pre-tax accounting profit

The Company is exempt from income tax pursuant to section 50 - 5 of the Income Tax Assessment Act 1997 and has received endorsement as an income exempt charity pursuant to section 50 - B of the Income Tax Assessment Act.

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.

The consolidated entity's current year taxable loss of \$77,262 (2007: \$7,078) has been added in full against prior year losses carried forward. As such, there is \$Nil income tax expense in the current year (2007: \$Nil).

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Unrecognised deferred tax assets				
Estimated deferred tax assets have not been recognised in respect of the following items:				
Deductible temporary differences	4,979	2,909	-	-
Tax losses	59,899	44,660	-	-
	<u>64,878</u>	<u>47,569</u>	-	-

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.

11 Property, plant and equipment

Consolidated					
In AUD					
	Leasehold improvements	Plant and equipment	Under construction	Artworks	Total
Cost					
Balance at 1 January 2007	3,277,346	1,685,559	5,845	98,128	5,066,878
Additions	169,883	191,499	2,876	-	364,258
Disposals	-	(228,555)	-	-	(228,555)
Reclassification	5,845	-	(5,845)	-	-
Balance at 31 December 2007	3,453,074	1,648,503	2,876	98,128	5,202,581
Balance at 1 January 2008	3,453,074	1,648,503	2,876	98,128	5,202,581
Additions	516,077	260,354	-	-	776,431
Disposals	-	(118,624)	-	-	(118,624)
Transfer from work in progress	2,876	-	(2,876)	-	-
Balance at 31 December 2008	3,972,027	1,790,233	-	98,128	5,860,388
Depreciation and impairment					
Balance at 1 January 2007	2,041,818	1,084,180	-	-	3,125,998
Depreciation for the year	86,190	233,709	-	-	319,899
Disposals	-	(127,558)	-	-	(127,558)
Balance at 31 December 2007	2,128,008	1,190,331	-	-	3,318,339
Balance at 1 January 2008	2,128,008	1,190,331	-	-	3,318,339
Depreciation for the year	128,266	216,228	-	-	344,494
Disposals	-	(58,130)	-	-	(58,130)
Balance at 31 December 2008	2,256,274	1,348,429	-	-	3,604,703
Carrying amounts					
At 1 January 2007	1,235,528	601,379	5,845	98,128	1,940,880
At 31 December 2007	1,325,066	458,172	2,876	98,128	1,884,242
At 1 January 2008	1,325,066	458,172	2,876	98,128	1,884,242
At 31 December 2008	1,715,753	441,804	-	98,128	2,255,685

11 Property, plant and equipment (continued)

Company					
In AUD					
	Leasehold improvements	Plant and equipment	Under construction	Artworks	Total
Cost					
Balance at 1 January 2007	3,277,346	1,421,107	5,845	98,128	4,802,426
Additions	169,883	172,513	2,876	-	345,272
Disposals	-	(186,979)	-	-	(186,979) ¹
Reclassification	5,845	-	(5,845)	-	-
Balance at 31 December 2007	3,453,074	1,406,641	2,876	98,128	4,960,719
Balance at 1 January 2008	3,453,074	1,406,641	2,876	98,128	4,960,719
Additions	516,077	257,390	-	-	773,467
Disposals	-	(118,624)	-	-	(118,624)
Transfer from work in progress	2,876	-	(2,876)	-	-
Balance at 31 December 2008	3,972,027	1,545,407	-	98,128	5,615,562
Depreciation					
Balance at 1 January 2007	2,041,818	862,797	-	-	2,904,615
Depreciation for the year	86,190	215,574	-	-	301,764
Disposals	-	(85,983)	-	-	(85,983)
Balance at 31 December 2007	2,128,008	992,388	-	-	3,120,396
Balance at 1 January 2008	2,128,008	992,388	-	-	3,120,396
Depreciation for the year	128,266	196,907	-	-	325,173
Disposals	-	(58,130)	-	-	(58,130)
Balance at 31 December 2008	2,256,274	1,131,165	-	-	3,387,439
Carrying amounts					
At 1 January 2007	1,235,528	558,310	5,845	98,128	1,897,811
At 31 December 2007	1,325,066	414,253	2,876	98,128	1,840,323
At 1 January 2008	1,325,066	414,253	2,876	98,128	1,840,323
At 31 December 2008	1,715,753	414,242	-	98,128	2,228,123

12 Inventories

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Finished goods at cost	722,754	679,450	701,324	659,394

13 Trade and other receivables

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Trade receivables and prepayments	627,534	547,229	615,008	540,627
Receivable from related party	-	-	62,997	-
	627,534	547,229	678,005	540,627

The consolidated entity's exposure to credit and currency risks and impairment losses related to trade and other receivables (excluding construction work in progress) is disclosed in note 18.

14 Cash and cash equivalents

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Bank balances	13,245,225	13,990,182	12,927,073	13,816,071
Cash on hand	45,709	48,101	29,030	28,250
Cash and cash equivalents	<u>13,290,934</u>	<u>14,038,283</u>	<u>12,956,103</u>	<u>13,844,321</u>
Cash and cash equivalents in the statement of cash flows"	13,290,934	14,038,283	12,956,103	13,844,321

The consolidated entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 18.

15 Retained earnings

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Balance at 1 January	15,887,679	15,398,310	15,613,866	15,115,825
Total recognised income and expense	(42,102)	489,369	35,161	498,041
Balance at 31 December	<u>15,845,577</u>	<u>15,887,679</u>	<u>15,649,027</u>	<u>15,613,866</u>

16 Employee benefits

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Current				
Liability for annual leave	129,470	102,130	112,874	88,663
Liability for long service leave	52,484	51,789	52,484	51,789
	<u>181,954</u>	<u>153,919</u>	<u>165,358</u>	<u>140,452</u>
Non-current				
Liability for long-service leave	18,551	16,429	18,551	16,429

Defined contribution plans

The Company makes contributions to several defined contribution plans. The amount recognised as expense was \$318,786 for the year ended 31 December 2008 (2007: \$298,691).

17 Trade and other payables

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Current				
Trade payables and accrued expenses	841,007	1,081,153	730,619	1,002,814
Revenue received in advance	9,818	10,024	-	-
Payable to related party	-	-	-	111,104
	<u>850,825</u>	<u>1,091,177</u>	<u>730,619</u>	<u>1,113,918</u>

The consolidated entity's exposure to liquidity risk related to trade and other payables is disclosed in note 18.

18 Financial instruments

Credit risk

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:

In AUD	Note	Consolidated		Company	
		2008	2007	2008	2007
Trade and other receivables	13	627,534	547,229	678,005	540,627
Cash and cash equivalents	14	13,290,934	14,038,283	12,956,103	13,844,321
		<u>13,918,468</u>	<u>14,585,512</u>	<u>13,634,108</u>	<u>14,384,948</u>

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

Impairment losses

Based on historic default rates and the insignificant balance of trade receivables at the end of the year, the Company believes 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:

In AUD	Note	Gross 2008	Impairment 2008	Gross 2007	Impairment 2007
Not past due	13	627,534	-	678,005	-
		<u>627,534</u>	<u>-</u>	<u>678,005</u>	<u>-</u>

Liquidity risk

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

Consolidated 31 December 2008						
In AUD	Note	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years
Non-derivative financial liabilities						
Trade and other payables	17	(850,825)	(850,825)	(850,825)	-	-
		<u>(850,825)</u>	<u>(850,825)</u>	<u>(850,825)</u>	<u>-</u>	<u>-</u>
31 December 2007						
Trade and other payables	17	(1,091,177)	(1,091,177)	(1,091,177)	-	-
		<u>(1,091,177)</u>	<u>(1,091,177)</u>	<u>(1,091,177)</u>	<u>-</u>	<u>-</u>
Company 31 December 2008						
In AUD		Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years
Trade and other payables	17	(730,619)	(730,619)	(730,619)	-	-
		<u>(730,619)</u>	<u>(730,619)</u>	<u>(730,619)</u>	<u>-</u>	<u>-</u>
Non-derivative financial liabilities						
Trade and other payables	17	(1,113,918)	(1,113,918)	(1,113,918)	-	-
		<u>(1,113,918)</u>	<u>(1,113,918)</u>	<u>(1,113,918)</u>	<u>-</u>	<u>-</u>

Currency risk

Exposure to currency risk

The Company and consolidated entity were not exposed to any foreign currency risk at balance date as all payables and receivables were denominated in Australian Dollars.

Interest rate risk

Profile

The Company's and consolidated entity's financial assets and liabilities are subject to interest rate risk. The Company and consolidated entity do not use derivatives to minimise this risk and this will fluctuate in accordance with movements in the market interest rates. At the reporting date the interest rate profile of the Company's and consolidated entity's interest-bearing financial instruments were:

In AUD	Note	Effective interest rate	Consolidated Carrying amount		Company Carrying amount	
			2008	2007	2008	2007
Cash and cash equivalents	14	0.36%	13,290,934	14,038,283	12,956,103	13,844,321
			<u>13,290,934</u>	<u>14,038,283</u>	<u>12,956,103</u>	<u>13,844,321</u>

Fair value sensitivity analysis for fixed rate instruments

The Company and consolidated entity do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company and consolidated entity do not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

18 Financial instruments (continued)

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) equity and 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 2007.

Consolidated	Profit or loss		Equity	
	100 bps Increase	100 bps Decrease	100 bps Increase	100 bps Decrease
Effect in AUD				
31 December 2008				
Variable rate instruments	132,909	(132,909)	-	-
Cash flow sensitivity (net)	<u>132,909</u>	<u>(132,909)</u>	-	-
31 December 2007				
Variable rate instruments	140,383	(140,383)	-	-
Cash flow sensitivity (net)	<u>140,383</u>	<u>(140,383)</u>	-	-
Company				
Effect in AUD				
31 December 2008				
Variable rate instruments	129,561	(129,561)	-	-
Cash flow sensitivity (net)	<u>129,561</u>	<u>(129,561)</u>	-	-
31 December 2007				
Variable rate instruments	138,443	(138,443)	-	-
Cash flow sensitivity (net)	<u>138,443</u>	<u>(138,443)</u>	-	-

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	Note	31 December 2008		31 December 2007	
		Carrying amount	Fair value	Carrying amount	Fair value
In AUD					
Trade and other receivables	13	627,534	627,534	547,229	547,229
Cash and cash equivalents	14	13,290,934	13,290,934	14,038,283	14,038,283
Trade and other payables	17	(850,825)	(850,825)	(1,091,177)	(1,091,177)
		<u>13,067,643</u>	<u>13,067,643</u>	<u>13,494,335</u>	<u>13,494,335</u>
Company					
In AUD					
Trade and other receivables	13	678,005	678,005	540,627	540,627
Cash and cash equivalents	14	12,956,103	12,956,103	13,844,321	13,844,321
Trade and other payables	17	(730,619)	(730,619)	(1,113,918)	(1,113,918)
		<u>12,903,489</u>	<u>12,903,489</u>	<u>13,271,030</u>	<u>13,271,030</u>

The basis for determining fair values is disclosed in note 4.

19 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Less than one year	-	73,990	-	73,990

The consolidated entity leases land and building under non-cancellable operating leases expiring from 1 - 2 years. Leases generally provide the Company 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.

20 Capital and other commitments

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for and payable				
Within one year	-	444,114	-	444,114

21 Contingencies

Contingent liabilities considered remote				
In AUD	Consolidated		Company	
	2008	2007	2008	2007
Bank guarantees	20,000	20,000	20,000	20,000

22 Reconciliation of cash flows from operating activities

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Cash flows from operating activities				
(Loss)/profit for the period	(42,102)	489,369	35,161	498,041
Adjustments for:				
Depreciation and amortisation	344,494	319,899	325,173	301,764
Gain on sale of property, plant and equipment	(6,506)	(13,131)	(6,506)	(13,131)
Interest income	(1,049,146)	(939,129)	(1,048,212)	(938,482)
Operating profit before changes in working capital and provisions	(753,260)	(142,992)	(694,384)	(151,808)
Change in trade and other receivables	(80,305)	(239,117)	(74,381)	(140,438)
Change in inventories	(43,304)	(95,850)	(41,930)	(102,614)
Change in trade and other payables	(240,352)	(185,574)	(272,195)	(347,379)
Change in employee benefits	30,157	(38,080)	27,028	(49,494)
	(1,087,064)	(701,613)	(1,055,862)	(791,733)
Interest received	1,049,146	939,129	1,048,212	938,482
Net cash from operating activities	(37,918)	237,516	(7,650)	146,749

23 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 period:

Non-executive directors	Executives
Dr Judith Johnston (resigned 31 March 2008) James Parkhill Bharti Sharma (resigned 6 October 2008) Professor Anthony Moon Dr Gloria Blondé (resigned 31 December 2008) Caitlin Emery (resigned 5 February 2008) David Latham (resigned 6 October 2008) Nigel Paschini (resigned 6 October 2008) Susan Kirk Geoffrey Riordan (appointed 1 April 2008) Alex Rybak (appointed 7 October 2008) Andrew Ho (appointed 7 October 2008) Felicity Evans (appointed 7 October 2008) Sandya Natarajan (appointed 7 October 2008) Kamal Zreika Christopher Chase Rebecca Trewick Robert Malcolm (appointed 27 February 2008) (resigned 6 October 2008)	Tom O'Sullivan (UTS Union, 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	
	2008	2007	2008	2007
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	
	2008	2007	2008	2007
Short-term employee benefits	167,763	166,799	159,588	159,498

From time to time, directors of the Company, or their director-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.

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)

Related parties transactions

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:

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Staff fees contribution revenue	82,231	81,096	82,231	81,096
Functions revenue	970,242	853,802	970,242	853,802
Donation revenue	1,373,840	1,321,000	1,373,840	1,321,000
Rental expense	135,198	136,600	135,198	136,600

Balances with related parties

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

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Current receivables				
Entity that exerts significant influence	173,243	-	173,243	-
Controlled entity	-	-	62,997	-
Current payables				
Entity that exerts significant influence	239,884	504,086	239,884	504,086
Controlled entity	-	-	-	111,104

Transactions with related parties

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

In AUD	Company	
	2008	2007
Management fee expense	50,000	48,000

24 Company details

The company is incorporated and domiciled in Australia as a company limited by guarantee. 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 that he is a member or within one year thereafter.

25 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the consolidated entity, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

26 Auditors' remuneration

In AUD	Consolidated		Company	
	2008	2007	2008	2007
Audit services				
Auditors of the Company				
KPMG Australia:				
Audit and review of financial reports	49,900	46,100	33,500	31,500
Other services				
Auditors of the Company				
KPMG Australia				
Taxation services	2,900	2,700	-	-

UTS Union Limited Directors' declaration

In the opinion of the directors of UTS Union Limited (the "Company"):

- (a) the financial statements and notes that are set out on pages 17 to 33, 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 2008 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 2; and
- (c) 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.



G. Riordan
Director

Dated at Sydney this 29th day of April 2009.

Independent auditor's report to the members of UTS Union Limited Report on the financial report

We have audited the accompanying financial report of UTS Union Limited (the 'Company'), which comprises the balance sheets as at 31 December 2008, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration set out on pages 17 to 34 of 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 and fair presentation of the financial report 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 (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and 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.

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of UTS Union Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

KPMG



Cameron Roan
Partner

Sydney

29 April 2009



