

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INCORPORATED

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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Solicitors:	King & Wood Mallesons Level 5, NICTA Building B 7 London Circuit Canberra ACT 2600
Bankers:	National Australia Bank Childers Street Canberra ACT 2600 Commonwealth Bank of Australia Concession Building, University Avenue Canberra ACT 2601
Auditors:	Ernst & Young 121 Marcus Clarke Street Canberra ACT 2601

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

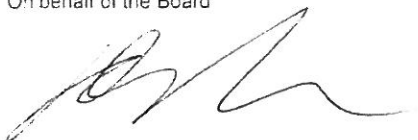
Declaration by the Chair and Deputy Chair of the Board

In accordance with a resolution of the directors of the Australian National University Union Inc. We state that:

In the opinion of the directors

- (a) the financial statements and notes of the Australian National University Union Inc. for the year ended 31 December 2014 are in accordance with the *Associations Incorporations Act 1991 (ACT)*, including
 - (i) presenting fairly the financial position as at 31 December 2014 and financial performance for the year ended on that date, and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements;
- (b) there are reasonable grounds to believe the Union will be able to pay its debts as and when they become due and payable

On behalf of the Board



JOSHUA ORCHARD
Chair of the Board



MEGAN LANE
Deputy Chair of the Board

CANBERRA

18 March 2015

Independent auditor's report to the members of the Australian National University Union Incorporated

We have audited the accompanying financial report of the Australian National University Union Incorporated ("the Union"), which comprises the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the declaration by the Chair and Deputy Chair of the Board of Directors.

Directors' Responsibility for the Financial Report

The directors of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the *Associations Incorporation Act 1991 (ACT)*, and for such internal control as the directors determine are 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls 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 controls. 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.

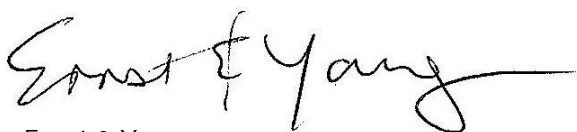
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Australian National University Union Incorporated as of 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporations Act 1991 (ACT)*.



Ernst & Young



Nigel Stevenson
Partner
Registered Company Auditor
Canberra
18 March 2015

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Revenue	<u>4 (a)</u>	4,380,217	4,762,700
Cost of sales	<u>4 (b)</u>	(1,831,948)	(1,826,210)
Depreciation and amortisation expense	<u>4 (b)</u>	(340,448)	(378,165)
Salaries and employee benefits expense	<u>4 (b)</u>	(1,730,547)	(1,869,149)
Other expenses	<u>4 (c)</u>	<u>(915,209)</u>	<u>(1,139,883)</u>
Net (deficit) attributable to members of The Australian National University Union Inc.		<u>(437,934)</u>	<u>(450,707)</u>
Other comprehensive income		-	-
Net (deficit) attributable to members of The Australian National University Union Inc.		<u>(437,934)</u>	<u>(450,707)</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
EQUITY			
Accumulated funds		2,127,457	2,565,390
Clubs & societies reserve	<u>2</u>	<u>215</u>	<u>640</u>
TOTAL EQUITY		<u>2,127,672</u>	<u>2,566,030</u>
Represented by:			
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	<u>3</u>	576,324	1,168,916
Trade and other receivables	<u>5</u>	368,056	164,450
Inventories	<u>6</u>	144,824	218,781
Prepayments	<u>7</u>	9,165	64,881
Held-to-maturity investments	<u>8</u>	908,768	600,000
TOTAL CURRENT ASSETS		<u>2,007,137</u>	<u>2,217,028</u>
NON CURRENT ASSETS			
Property, plant and equipment	<u>9</u>	<u>787,895</u>	<u>1,101,823</u>
TOTAL NON CURRENT ASSETS		<u>787,895</u>	<u>1,101,823</u>
TOTAL ASSETS		<u>2,795,032</u>	<u>3,318,851</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	<u>10</u>	391,623	523,114
Employee Benefits	<u>11</u>	127,076	40,594
Deferred Income	<u>12</u>	<u>136,885</u>	<u>164,392</u>
TOTAL CURRENT LIABILITIES		<u>655,583</u>	<u>728,100</u>
NON CURRENT LIABILITIES			
Employee Benefits	<u>11</u>	11,777	24,721
Deferred Income		<u>-</u>	<u>-</u>
TOTAL NON CURRENT LIABILITIES		<u>11,777</u>	<u>24,721</u>
TOTAL LIABILITIES		<u>667,360</u>	<u>752,821</u>
NET ASSETS		<u>2,127,672</u>	<u>2,566,030</u>

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Receipts from customers		3,195,231	4,184,443
Interest received		48,138	111,936
Sponsorship received		32,193	25,250
Rent received		706,152	602,490
Other income received		75,000	125,155
Net Goods and Services tax paid		(200,540)	(282,342)
Payments to suppliers and employees		<u>(4,119,252)</u>	<u>(5,115,754)</u>
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		<u>(263,078)</u>	<u>(348,822)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,774	6,013
Purchase of property, plant and equipment		(39,520)	(171,344)
Proceeds from sale of held to maturity investments		-	1,262,564
Purchase of held to maturity investments		<u>(308,768)</u>	<u>-</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(329,514)</u>	<u>1,097,233</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(592,592)	748,411
Cash and cash equivalents at beginning of period		<u>1,168,916</u>	<u>420,505</u>
Cash and cash equivalents at end of period	<u>3</u>	<u><u>576,324</u></u>	<u><u>1,168,916</u></u>

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2014

	\$	\$	\$
	Clubs & Societies Reserve (Note 5 (b))	Accumulated Funds (Note 5 (a))	Total Equity
At 1 January 2013	7,705	3,016,099	3,023,804
Clubs & Societies Reserve net distribution	(7,065)	-	(7,065)
Deficit for the year	-	(450,707)	(450,707)
At 31 December 2013	640	2,565,391	2,566,031
Clubs & Societies Reserve net distribution	(425)	-	(425)
Deficit for the year	-	(437,934)	(437,934)
At 31 December 2014	215	2,127,457	2,127,672

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 1: CORPORATE INFORMATION

The financial report of the Australian National University Union ("the Union") for the year ended 31 December 2014 was authorised for issue in accordance with a resolution of the board on 18 March 2015.

The Union was incorporated in Australia as an association under section 9 of the *Associations Incorporation Act 1991 (Australian Capital Territory)*.

The Union is domiciled in Australia and the nature of the operations and principal activities of the Union are described in note 15. The Union is a not-for-profit organisation for the purpose of preparing the financial report.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of Australian Accounting Standards - Reduced Disclosure and the Union's constitution.

The financial report has been prepared in accordance with historical cost basis except for artwork that has been measured at fair value.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

The Union has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning 1 January 2014.

The Union is a non-profit, private sector entity which is not publicly accountable. Therefore the financial statements for the Union are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

(c) New and Amended Accounting Standards and Interpretations

Certain Australian Accounting Standards and Australian Accounting Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Union for the annual reporting period ended 31 December 2014 except for the adoption of AASB 1053 and AASB 2010-2 which allowed the Union to remove a number of disclosures. The Board and management have assessed that the impact of these new or amended standards will not be significant to the Union.

(d) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(e) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value with the exception of artwork which is recorded at fair value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment	3-20 years
Fixtures and fittings	3-20 years
Motor vehicles	5 years
Leasehold improvements	10-40 years

(f) Intangible assets

Intangible assets (Licence Fees) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected profit or loss in the period in which the expenditure is incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. Value in use is calculated as the current cost of the asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits of the asset.

Impairment losses are recognised in the statement of comprehensive income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is recognised.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition form the cost value of this inventory.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(h) Taxes

Income tax

The Union has not provided for income tax as the Union is exempt from income tax under section 50 of the *Income Tax Assessment Act 1997*.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

The GST component of cash flows arising from operating, investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows on a net basis.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Clubs and societies reserve

A reserve has been established to provide for the advancement of Clubs & Societies.

To meet the requirement of the Union's constitution, the transfer to the reserve is calculated at 2.5% of the annual General Service Fee received from the Australian National University.

General Service Fee has been discontinued since 2007 and the remaining balance is being distributed based on approved submissions.

Distributions to Clubs & Societies in the form of goods and services are debited directly from the reserve.

In accordance with section 9(2)(e) of the Union's Constitution, \$425 (2013: \$7,065) has been distributed directly from the reserve for the advancement of clubs and societies.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(j) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Impairment of assets

At each reporting date, the Union assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Union makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell and value in use for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the statement of comprehensive income.

(l) Financial instruments

Financial instruments are classified as either instruments at fair value through profit or loss, loans and receivables, held-to-maturity, available-for-sale or financial liabilities at amortised cost as appropriate.

When financial instruments are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs.

The Union determines the classification of its financial instruments after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year-end.

The Union's Financial Instruments have been classified as held to maturity investments, loans and receivables (Trade and Other Receivables) and financial liabilities at amortised cost (Trade and Other Payables).

(i) Held-to-maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Union has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(iii) Financial liabilities at amortised cost

These liabilities are measured after initial recognition, are subsequently measured at amortised cost using the effective interest rate method.

De-recognition of financial instruments

The de-recognition of a financial instrument takes place when the Union no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(m) Provisions

Provisions are recognised when the Union has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Provisions - Annual Leave

Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Provisions - Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Union and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of services

Revenue is recognised with reference to the stage of contract completion.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Rental income

Rental income arising under the lease agreement on designated areas of the Union building is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(o) Grants

When grant revenue is received whereby the Union incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

(p) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(q) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Union has in substance leased its buildings for no consideration from the Australian National University (the University) under an operating lease where the University retains substantially all the risks and rewards of ownership. Accordingly the Union has not recognised the land and buildings on its statement of financial position. Furthermore, as there is no consideration for lease, no lease payments are recognised on the statement of comprehensive income. Further information on this arrangement is included in Note 14: Related Party and Key Management Personnel Disclosures.

The Union has subleased part of its buildings to external parties under operating leases.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 3: CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash on hand	9,968	13,738
Cash at bank	<u>566,356</u>	<u>1,155,178</u>
	<u>576,324</u>	<u>1,168,916</u>

Cash on hand does not earn interest.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 4: REVENUE AND EXPENSES

	2014 \$	2013 \$
(a) Revenue		
Income		
Sales	3,356,768	3,913,294
Vending machines commissions	43,383	55,329
Rents received	641,737	547,718
Electricity/gas recovery	58,590	29,572
Advertising Income	5,825	4,262
Rebates and Sundry Income	112,809	24,613
Total revenues from operating activities	<u>4,219,111</u>	<u>4,574,788</u>
Other Income		
Grants released	75,000	75,000
Sponsorship	32,193	22,955
Interest income	48,138	84,816
Gain on sale of property, plant and equipment	5,774	5,141
Total revenues from non-operating activities	<u>161,106</u>	<u>187,912</u>
Total revenues	<u><u>4,380,217</u></u>	<u><u>4,762,700</u></u>
(b) Expenses		
Cost of Goods Sold	<u>1,831,948</u>	<u>1,826,210</u>
Depreciation & amortisation		
Property, plant & equipment	306,084	334,670
Leasehold improvements	33,614	42,746
Licence	750	749
Total depreciation and amortisation	<u>340,448</u>	<u>378,165</u>
Employee benefits expenses :		
Salaries & related costs	1,589,201	1,721,239
Fringe benefits tax	1,240	2,035
Superannuation	140,106	145,875
Total employee benefits expense	<u>1,730,548</u>	<u>1,869,149</u>
(c) Other expenses		
Utilities and insurance	299,692	396,960
Impairment loss	-	874
Repairs and replacements	70,222	101,369
Other expenses	545,296	640,680
Total other expenses	<u>915,209</u>	<u>1,139,883</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 5: TRADE & OTHER RECEIVABLES

Trade receivables	299,143	112,501
Other receivables	68,913	51,949
	<u>368,056</u>	<u>164,450</u>

Accounts receivable included amounts owed by the following related party:

The Australian National University	<u>95,277</u>	<u>1,150</u>
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Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables are non-interest bearing

For terms and conditions relating to related party receivables refer to note 17.

NOTE 6: INVENTORY

Inventory - finished goods (at cost)	<u>144,824</u>	<u>218,781</u>
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In 2014, the Union wrote-off nil (2013: nil) due to inventory obsolescence.

NOTE 7: PREPAYMENTS

Prepayments	<u>9,165</u>	<u>64,881</u>
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NOTE 8: HELD-TO-MATURITY INVESTMENTS

Term deposits - current	<u>908,768</u>	<u>600,000</u>
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These term deposits are held for between 3 months to 1 year at interest rates of between 3.7% to 4.2%

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

	2014 \$	2013 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment - at cost	2,530,660	2,544,660
Accumulated depreciation & impairment loss	<u>(2,313,392)</u>	<u>(2,242,165)</u>
	<u>217,268</u>	<u>302,496</u>
Fixtures and fittings - at cost	2,743,901	2,743,901
Accumulated depreciation & impairment loss	<u>(2,435,219)</u>	<u>(2,264,053)</u>
	<u>308,682</u>	<u>479,847</u>
Motor vehicles - at cost	29,363	64,213
Accumulated depreciation	<u>(29,363)</u>	<u>(54,078)</u>
	<u>-</u>	<u>10,135</u>
Work in Progress	<u>-</u>	<u>37,193</u>
Works of art - at fair value	<u>100,000</u>	<u>100,000</u>
Leasehold improvements - at cost	2,781,703	2,757,546
Accumulated depreciation & impairment loss	<u>(2,623,543)</u>	<u>(2,589,930)</u>
	<u>158,160</u>	<u>167,616</u>
Intangible Assets		
Post Office/Subway licence - at cost	22,500	22,500
Accumulated amortisation	<u>(18,714)</u>	<u>(17,964)</u>
	<u>3,786</u>	<u>4,536</u>
Total property, plant and equipment	<u>787,895</u>	<u>1,101,823</u>

For property, plant and equipment, the Union assesses at each reporting date whether there is objective evidence that an asset or group of assets is impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

2014	2013
\$	\$

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Cont)

RECONCILIATIONS

Plant & Equipment

Carrying amount at beginning	302,495	371,709
Additions	48,850	63,779
Disposals	(62,850)	(156,940)
Writeback of accumulated depreciation	62,850	156,940
Depreciation	(134,077)	(132,993)
Closing Written Down Value	<u>217,268</u>	<u>302,495</u>

Fixtures & Fittings

Carrying amount at beginning	479,848	654,983
Additions	-	20,448
Disposals	-	(466,277)
Writeback of accumulated depreciation	-	465,405
Depreciation	(171,167)	(194,711)
Closing Written Down Value	<u>308,681</u>	<u>479,848</u>

Motor Vehicles

Carrying amount at beginning	10,136	17,101
Additions	-	-
Disposals	(34,850)	-
Writeback of accumulated depreciation	25,556	-
Depreciation	(840)	(6,966)
Closing Written Down Value	<u>-</u>	<u>10,135</u>

Work in Progress

Carrying amount at beginning	37,193	-
Additions	-	37,193
Transfers to Plant & Equipment	(37,193)	-
Closing Written Down Value	<u>-</u>	<u>37,193</u>

Works of Art

At fair value	<u>100,000</u>	<u>100,000</u>
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Leasehold Improvements

Carrying amount at beginning	167,616	160,438
Additions	24,157	49,924
Disposals	-	-
Depreciation	(33,614)	(42,746)
Write back of accumulated depreciation	-	-
Closing Written Down Value	<u>158,159</u>	<u>167,616</u>

Intangibles - Licences - at cost

Carrying amount at beginning	4,536	5,285
Amortisation	(750)	(749)
Closing Written Down Value	<u>3,786</u>	<u>4,536</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 10: TRADE AND OTHER PAYABLES (CURRENT)

	2014 \$	2013 \$
Trade payables	127,698	252,294
Goods and services tax	69,341	56,550
Accrued expenses	194,584	123,122
	<u>391,623</u>	<u>431,966</u>
Accounts payable included amounts owed to the following related party: The Australian National University	<u>84,896</u>	<u>124,510</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing.

For terms and conditions relating to related parties refer to note 17.

The net of GST payable and GST receivable is remitted to the appropriate tax body on a quarterly basis.

NOTE 11: EMPLOYEE BENEFITS

Annual leave provision	73,535	91,148
Long service leave provision (current)	53,541	40,594
Long service leave provision (non-current)	11,777	24,721
	<u>138,853</u>	<u>156,463</u>

NOTE 12: DEFERRED INCOME (CURRENT)

Grant from ANU	86,616	75,000
Rental Income	46,633	5,234
Others/function funds received in advance	3,636	84,158
	<u>136,885</u>	<u>164,392</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 13: COMMITMENTS

	2014 \$	2013 \$
(a) Capital expenditure commitments:		
Capital expenditure commitments payable not later than one year	<u>111,739</u>	<u>102,554</u>

(b) Licence agreements commitments receivable:

The Union has entered into a number of licence agreements on designated areas of the "The Union Building". These licence agreements have terms of 5 years with an option period of 5 years or 3 years with an option period of 2 years. Licence fee receipts are reviewed annually based on the Consumer Price Index (CPI) Number for Canberra. Management incorporates 2% CPI into the calculation of minimum licence fees receipts.

Future minimum licence fees receivable under the licence agreements are:

	2014 \$	2013 \$
Within one year	471,909	530,484
After one year but not more than five years	576,997	957,479
More than five years	-	-
Total minimum licence fees receipts	<u>1,048,906</u>	<u>1,487,963</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 14: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) The board members of the Union and key management personnel responsible for the affairs of the organisation during the financial year and until the date of this report are as follows:

Current Board of Directors	Elected/Appointed
Joshua Orchard - Chair (from 30/4/14)	30/4/14
Megan Lane - Deputy Chair (from 30/4/14)	30/4/14
Alice Dawkins	28/3/14
Alex Bell-Rowe	28/3/14
Luke Powter	28/3/14
Josh Bolitho	21/8/14
Dan McKay	5/11/14
Belinda Farrelly	Appointed 1/11/14
Steve O'Connor	Appointed 1/1/09
Past Board of Directors	Retired
Jack Gracie - Chair (from 22/8/13)	30/4/14

Key Management Personnel

Allan Harkins	Business Manager
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(b) The members of the Board of the Union were not remunerated except for the Chair and Deputy Chair.

In addition to the compensation of key management personnel, which is separately disclosed in this report, the following details related party transactions which occurred during the period:

The Australian National University makes the Union building available on a no charge basis.

Terms and conditions of transactions with related parties

Apart from the provision of the Union's building, sales to and purchases from related parties are made in arms length transactions at both normal market prices and normal commercial terms.

Outstanding balances at year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

For the year ended 31 December 2014, the Union has not raised any provision for doubtful debts relating to amounts owed by related parties as the payment history has been excellent (2013: \$nil). An impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates in to determine whether there is objective evidence that a related party receivable is impaired. When such evidence exists, the Union recognises an allowance for the impairment loss.

The Union has no dealings with any other related parties.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
31 DECEMBER 2014

NOTE 14: RELATED PARTY AND KEY MANAGEMENT PERSONNEL DISCLOSURES (Cont)

(b) Key Management Personnel, Chair and Deputy Chair's Compensation

The aggregate remuneration paid to key management personnel, Chair and Deputy Chair during the financial year is as follows:

	2014 \$	2013 \$
Short-term benefits		
Total Compensation	<u>157,650</u>	<u>285,350</u>

NOTE 15: EVENTS AFTER THE BALANCE DATE

There has not arisen, in the interval between the end of the period and that date of the report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the Union, the results of those operations, or the state of the affairs of the Union in subsequent financial years.