

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INCORPORATED

FINANCIAL REPORT FOR THE YEAR ENDED

31 December 2016

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Solicitors:	King & Wood Mallesons Level 5, NICTA Building B 7 London Circuit Canberra ACT 2600
	Trinity Law Level 3 40 Blackall Street Barton ACT 2601
Bankers:	Commonwealth Bank of Australia Concession Building, University Avenue Canberra ACT 2601
Auditors:	RSM Canberra ACT 2601

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

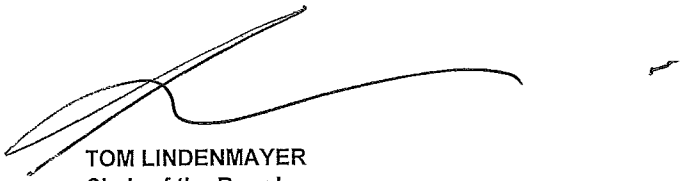
Declaration by the Chair and Deputy Chair of the Board

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

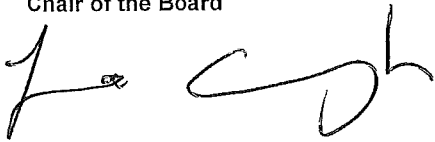
In the opinion of the directors:

- (a) the financial statements and notes of the Australian National University Union Inc. for the year ended 31 December 2016 are in accordance with the *Associations Incorporations Act 1991 (ACT)*, including:
- (i) presenting fairly the financial position as at 31 December 2016 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



TOM LINDENMAYER
Chair of the Board



JEMMA CAVANAGH
Deputy Chair of the Board

CANBERRA
28 March 2017



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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE AUSTRALIAN NATIONAL UNIVERSITY UNION INCORPORATED

Opinion

We have audited the financial report of the Australian National University Union Incorporated (ANU Union), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the ANU Union as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the ANU Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Board are responsible for the other information. The other information comprises the information included in ANU Union's annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

THE POWER OF BEING UNDERSTOOD
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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing ANU Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate ANU Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

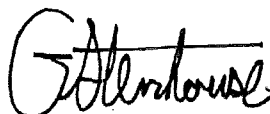
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.



RSM AUSTRALIA PTY LIMITED



G M STENHOUSE
Director

Canberra, Australian Capital Territory
Date: 28 March 2017

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 December 2016

	Note	2016 \$	2015 \$
Revenue	<u>4 (a)</u>	4,092,660	4,019,060
Cost of sales	<u>4 (b)</u>	(1,783,353)	(1,555,881)
Depreciation and amortisation expense	<u>4 (b)</u>	(202,485)	(240,465)
Salaries and employee benefits expense	<u>4 (b)</u>	(1,603,465)	(1,644,871)
Other expenses	<u>4 (c)</u>	<u>(1,000,243)</u>	<u>(909,296)</u>
Net (deficit) attributable to members of The Australian National University Union Inc.		<u>(496,887)</u>	<u>(331,453)</u>
Other comprehensive income		-	-
Net (deficit) attributable to members of The Australian National University Union Inc.		<u>(496,887)</u>	<u>(331,453)</u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2016

	Note	2016 \$	2015 \$
EQUITY			
Accumulated funds		<u>1,299,117</u>	<u>1,796,004</u>
TOTAL EQUITY		<u><u>1,299,117</u></u>	<u><u>1,796,004</u></u>
Represented by:			
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	<u>3</u>	121,572	164,781
Trade and other receivables	<u>5</u>	151,343	279,056
Inventories	<u>6</u>	187,829	202,316
Prepayments	<u>7</u>	4,434	62,467
Held-to-maturity investments	<u>8</u>	1,000,000	1,100,000
TOTAL CURRENT ASSETS		<u>1,465,178</u>	<u>1,808,619</u>
NON CURRENT ASSETS			
Property, plant and equipment	<u>9</u>	<u>353,760</u>	<u>581,246</u>
TOTAL NON CURRENT ASSETS		<u>353,760</u>	<u>581,246</u>
TOTAL ASSETS		<u>1,818,938</u>	<u>2,389,865</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	<u>10</u>	309,479	269,694
Employee Benefits	<u>11</u>	151,511	137,413
Deferred Income	<u>12</u>	<u>39,655</u>	<u>173,181</u>
TOTAL CURRENT LIABILITIES		<u>500,645</u>	<u>580,288</u>
NON CURRENT LIABILITIES			
Employee Benefits	<u>11</u>	19,176	13,573
Deferred Income		-	-
TOTAL NON CURRENT LIABILITIES		<u>19,176</u>	<u>13,573</u>
TOTAL LIABILITIES		<u>519,821</u>	<u>593,861</u>
NET ASSETS		<u><u>1,299,117</u></u>	<u><u>1,796,004</u></u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 December 2016

	Note	2016 \$	2015 \$
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Receipts from customers		2,438,867	3,305,549
Interest received		30,220	39,760
Sponsorship received		26,592	30,060
Rent received		1,311,332	659,926
Other income received		0	86,616
Net Goods and Services tax paid		(191,781)	(194,357)
Payments to suppliers and employees		<u>(3,919,253)</u>	<u>(4,136,495)</u>
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		<u>(304,022)</u>	<u>(208,941)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		135,814	22,445
Purchase of property, plant and equipment		25,000	(33,815)
Proceeds from sale of held to maturity investments		100,000	- 191,232
Purchase of held to maturity investments		<u>-</u>	<u>0</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>260,814</u>	<u>(202,602)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(43,209)	(411,543)
Cash and cash equivalents at beginning of period		<u>164,781</u>	<u>576,324</u>
Cash and cash equivalents at end of period	<u>3</u>	<u><u>121,572</u></u>	<u><u>164,781</u></u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 December 2016

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

NOTE 1: CORPORATE INFORMATION

The financial report of the Australian National University Union ("the Union") for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of the board on 28 March 2017.

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 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 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 2016 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

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

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.

The carrying value of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets.

(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.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(i) 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.

(j) 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.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(k) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured 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 currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expenses in the period in which they are incurred.

(l) 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.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(m) 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.

(n) 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.

(o) 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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

NOTE 3: CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash on hand	9,126	9,640
Cash at bank	<u>112,446</u>	<u>155,141</u>
	<u>121,572</u>	<u>164,781</u>

Cash on hand does not earn interest.

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

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

NOTE 4: REVENUE AND EXPENSES

	2016	2015
	\$	\$
(a) Revenue		
Income		
Sales	3,241,188	3,011,488
Vending machines commissions	81,531	72,927
Rents received	580,060	593,701
Electricity/gas recovery	44,975	60,601
Advertising Income	5,709	5,625
Rebates and Sundry Income	84,877	99,089
Total revenues from operating activities	<u>4,038,341</u>	<u>3,843,430</u>
Other Income		
Grants released	-	86,616
Sponsorship	26,592	30,060
Interest income	27,316	36,508
Gain on sale of property, plant and equipment	409	22,445
Total revenues from non-operating activities	<u>54,319</u>	<u>175,630</u>
Total revenues	<u>4,092,660</u>	<u>4,019,060</u>
(b) Expenses		
Cost of Goods Sold	<u>1,783,353</u>	<u>1,555,881</u>
Depreciation & amortisation		
Property, plant & equipment	100,046	211,700
Leasehold improvements	101,689	28,015
Licence	750	750
Total depreciation and amortisation	<u>202,485</u>	<u>240,465</u>
Employee benefits expenses :		
Salaries & related costs	1,473,129	1,509,260
Fringe benefits tax	-	-
Superannuation	130,336	135,611
Total employee benefits expense	<u>1,603,465</u>	<u>1,644,871</u>
(c) Other expenses		
Utilities and insurance	270,946	260,465
Impairment loss	25,000	-
Repairs and replacements	54,263	67,492
Loss on disposal of Property, Plant & Equipment	-	-
Other expenses	650,035	581,339
Total other expenses	<u>1,000,243</u>	<u>909,296</u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

NOTE 5: TRADE & OTHER RECEIVABLES

Trade receivables	254,807	224,115
Other receivables	40,559	54,941
Provision For Doubtful Debts	(144,022)	-
	<u>151,343</u>	<u>279,056</u>

Accounts receivable included amounts owed by the following related party:

The Australian National University	<u>0</u>	<u>10,075</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>187,829</u>	<u>202,316</u>
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In 2016, the Union wrote-off nil (2015: nil) due to inventory obsolescence.

NOTE 7: PREPAYMENTS

Prepayments	<u>4,434</u>	<u>62,467</u>
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NOTE 8: HELD-TO-MATURITY INVESTMENTS

Term deposits - current	<u>1,000,000</u>	<u>1,100,000</u>
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These term deposits are held for between 3 months to 6 months at interest rates of between 2.6% to 2.9%

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

	2016 \$	2015 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment - at cost	2,036,063	2,036,063
Accumulated depreciation & impairment loss	<u>(1,970,415)</u>	<u>(1,935,754)</u>
	65,648	100,309
Fixtures and fittings - at cost	2,743,901	2,743,901
Accumulated depreciation & impairment loss	<u>(2,620,120)</u>	<u>(2,554,734)</u>
	123,781	189,167
Motor vehicles - at cost	29,363	29,363
Accumulated depreciation	<u>(29,363)</u>	<u>(29,363)</u>
	-	-
Work in Progress	-	-
Works of art - at fair value	<u>75,000</u>	<u>100,000</u>
Leasehold improvements - at cost	2,840,293	2,840,293
Accumulated depreciation & impairment loss	<u>(2,753,248)</u>	<u>(2,651,559)</u>
	87,045	188,734
Intangible Assets		
Post Office/Subway licence - at cost	22,500	22,500
Accumulated amortisation	<u>(20,214)</u>	<u>(19,464)</u>
	2,286	3,036
Total property, plant and equipment	<u>353,760</u>	<u>581,246</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.

The ANU Union Inc has depreciated a number of fixed assets (leasehold improvements) at a faster rate, considering the soft notice for vacation from our premises of business which we received in December 2016 from the ANU.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

	2016 \$	2015 \$
NOTE 9: PROPERTY, PLANT AND EQUIPMENT (Cont)		
RECONCILIATIONS		
Plant & Equipment		
Carrying amount at beginning	100,309	217,268
Additions	-	16,258
Disposals	-	(510,855)
Writeback of accumulated depreciation	-	510,855
Depreciation	(34,661)	(133,217)
Closing Written Down Value	<u>65,648</u>	<u>100,309</u>
Fixtures & Fittings		
Carrying amount at beginning	189,167	308,682
Additions	-	-
Disposals	-	-
Writeback of accumulated depreciation	-	-
Depreciation	(65,386)	(119,515)
Closing Written Down Value	<u>123,781</u>	<u>189,167</u>
Motor Vehicles		
Carrying amount at beginning	-	-
Additions	-	-
Disposals	-	-
Writeback of accumulated depreciation	-	-
Depreciation	-	-
Closing Written Down Value	<u>-</u>	<u>-</u>
Work in Progress		
Carrying amount at beginning	-	-
Additions	-	-
Transfers to Plant & Equipment	-	-
Closing Written Down Value	<u>-</u>	<u>-</u>
Works of Art		
Carrying amount at beginning	100,000	100,000
Revaluation write down	(25,000)	-
At fair value	<u>75,000</u>	<u>100,000</u>
Leasehold Improvements		
Carrying amount at beginning	188,734	158,160
Additions	0	58,590
Disposals	-	-
Write back of accumulated depreciation	-	-
Depreciation	(101,689)	(28,015)
Closing Written Down Value	<u>87,045</u>	<u>188,734</u>
Intangibles - Licences - at cost		
Carrying amount at beginning	3,036	3,786
Amortisation	(750)	(750)
Closing Written Down Value	<u>2,286</u>	<u>3,036</u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

NOTE 10: TRADE AND OTHER PAYABLES (CURRENT)

	2016	2015
	\$	\$
Trade payables	174,152	170,786
Goods and services tax	42,546	58,704
Accrued expenses	<u>92,781</u>	<u>40,205</u>
	<u>309,479</u>	<u>269,694</u>
Accounts payable included amounts owed to the following related party: The Australian National University	 <u>53,387</u>	 <u>19,607</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	87,533	81,562
Long service leave provision (current)	63,978	55,851
Long service leave provision (non-current)	<u>19,176</u>	<u>13,573</u>
	<u>170,687</u>	<u>150,986</u>

NOTE 12: DEFERRED INCOME (CURRENT)

Grant from ANU	-	-
Rental Income	38,671	49,948
Others/function funds received in advance	<u>985</u>	<u>123,232</u>
	<u>39,655</u>	<u>173,181</u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

NOTE 13: COMMITMENTS

	2016 \$	2015 \$
(a) Capital expenditure commitments:		
Capital expenditure commitments payable not later than one year	<u>-</u>	<u>-</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:

	2016 \$	2015 \$
Within one year	104,365	281,035
After one year but not more than five years	-	318,012
More than five years	-	-
Total minimum licence fees receipts	<u>104,365</u>	<u>599,048</u>

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

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
Thomas Lindenmayer- Chair (from 17/2/17)	1/4/16
Jemma Cavanagh - Deputy Chair (from 17/2/17)	1/4/16
Nathan Kerwood	1/4/17
Dominic Kasah	1/4/17
Annalyse Betts	1/4/17
Tom Nock	1/4/17
Monique Blasiak	1/4/17
Belinda Farrelly	1/11/14
Scott Joblin (PARSA)	17/2/17
Lewis Pope (ANUSA)	9/3/17
Past Board of Directors	Retired
Megan Lane - Chair (from 22/4/15)	9/12/15
Josh Orchard	27/5/15
Alice Dawkins	27/5/15
Steve O'Connor	3/9/15
Ashleigh Griffiths	31/3/16
Ben Kremer	31/3/16
Tom Lingafelter	21/7/16
Josh Bolitho	31/3/17
Jillian Molloy	31/3/17
Kanish Oberoi	31/3/17

(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 has been no guarantees provided or received for any related party receivables.

The Union has no dealings with any other related parties.

THE AUSTRALIAN NATIONAL UNIVERSITY UNION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
AS AT 31 December 2016

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:

	2016 \$	2015 \$
Short-term benefits		
Total Compensation	<u>155,017</u>	<u>152,797</u>

NOTE 15: SUBSEQUENT EVENTS

In December 2016 The ANU Union received a letter from the Australian National University informing the ANU Union that they are required to vacate Union Court by 30 June 2017.

The ANU Union are in the process of receiving legal advice and are negotiating with Australian National University regarding compensation and to secure the future of the ANU Union's trading activities.