

**SWINBURNE STUDENT AMENITIES  
ASSOCIATION LIMITED**

**ABN 35 117 060 232**

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**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

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**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2015**

**General Information**

Swinburne Student Amenities Association Limited (SSAA) is an Australian Public Company limited by guarantee and was established on 9 November 2005, pursuant to the general authority contained in the *Swinburne University of Technology Act 2010* (as amended).

The responsible Minister is the Hon. Steve Herbert MLC, Minister for Training and Skills. Remuneration of the responsible Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

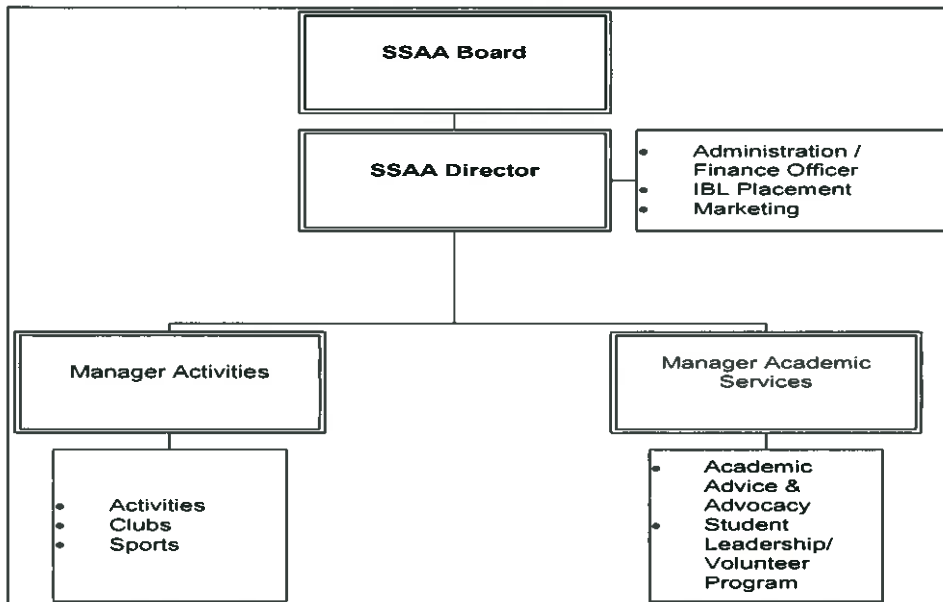
The objectives of the Company are set out in its Constitution, which is a public document lodged with the Australian Securities and Investments Commission (ASIC), and include the advancement of the education of Swinburne students by providing amenities, services, and facilities for the benefit of Swinburne students.

**Organisational Structure / Workforce Data**

The Company's Board comprises the Vice Chancellor, four people nominated by the Vice Chancellor and four Swinburne student nominees.

The Director reports to the Company's Board. The current Executive Chair is Mr Andrew C Smith. He is an employee of Swinburne University of Technology.

The activities and academic services managers of the company report to the Director. The company has 17 other staff (equivalent full time of 15) and additional casual staff are engaged as required.



**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2015 (cont.)**

**Governance**

The Company's Board has adopted the Statement of Governance Principles for Controlled Entities of Swinburne University of Technology and, as such, the Company's financial affairs are reported to the University's Council, the Company's accounts are audited as part of the University's annual audit program, and the Company is subject to the University's internal audit and risk management procedures and controls and thus falls under the ambit of the University's Audit and Risk Committee.

**Merit and Equity Policy**

The Company applies merit and equity policy including policies relating to anti-discrimination, equal employment opportunity and harassment and victimisation.

**Occupational Health and Safety**

The Company complies with the relevant occupational health and safety legislation through adherence to Company policies in this area.

**Freedom of Information**

There have been no requests made to the Company under the *Freedom of Information Act (Vic, 1982)* (2014: nil).

**Whistleblowers Protection**

The Company complies with the policies and procedures in relation to the protections provided under the *Protected Disclosure Act 2012*.

**Relevant Financial and Other Information**

**Operating Performance and Financial Position**

	2011	2012	2013	2014	2015
	\$000	\$000	\$000	\$000	\$000
Revenue	4,073	3,159	3,253	3,041	5,358
Expenses	3,607	2,869	2,912	2,829	3,190
Net result	466	290	341	212	2,168
Assets	4,369	5,221	6,037	6,424	8,143
Liabilities	139	250	212	242	241
Equity	4,231	4,971	5,825	6,182	7,902

**Operational and Budgetary Objectives**

The Company's operational and budgetary plans and objectives for 2015 were consistent with the Company's objectives as stated earlier in this report.

**Building Act Compliance**

The Company complies with relevant legislation through adherence to the policies of Swinburne University of Technology.

**Compliance with National Competition Policy**

The Company complies with relevant legislation through adherence to the policies of Swinburne University of Technology.

**Audit Committee**

The Company falls under the ambit of the Swinburne University of Technology Audit and Risk Committee.

**Consultancies**

During 2015, there was no consultancy activity (2014: nil).



Executive Chair  
**Mr. Andrew C Smith**

Date Signed: 15/3/16  
Hawthorn



Director  
**Ms. Sharon Rice**

Date Signed: 05/3/16  
Hawthorn

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**DIRECTORS' REPORT**

Your Directors present their report on the Company for the financial year ended 31 December 2015. The financial report has been prepared in accordance with the *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

**Directors**

The Directors of the Company during the financial year were:

Professor Linda Kristjanson (Vice Chancellor - Swinburne University of Technology)  
Mr. Andrew C Smith (Executive Chair - SSAA) (Vice President Engagement - Swinburne University of Technology) (Alternate Director to Vice Chancellor Prof Linda Kristjanson)  
Mr. Andrew J Smith (Vice President Corporate Services - Swinburne University of Technology) - appointed 19/08/2015  
Mr. Stephen Beall (VP Strategy & Business Innovation - Swinburne University of Technology)  
Mr. Jeffrey Smart (Pro Vice Chancellor International Recruitment - Swinburne University of Technology) - resigned 11/03/2015  
Mr. Bryan Rossi (Chief Financial Officer and Vice-President Planning and Performance - Swinburne University of Technology) - resigned 03/07/2015  
Ms. Sharon Rice (Director Learning - TAFE School of Sustainable Futures)  
Ms. Sarah Graham (International & Students - Swinburne University of Technology) - appointed 29/03/2015

**Swinburne student directors:**

Ms. Amie Watson (Student) - term expired 31/12/2015  
Ms. Kaledeh Echresh (TAFE Student) - term expired 01/01/2015  
Ms. Caitlin Bruty (Postgraduate Student)  
Mr. Mohammad Himel Khan (International Student) - resigned 10/10/2015  
Mr. Mohammad Imthiyas Mohamed Ifradh Mubarak (International Student) - appointed 13/02/2015

Mr. Kornel Koffsovitz (Secretary) - appointed 15/05/2015  
Mr. Thomas Rowan (Principal Counsel, Swinburne Legal) - resigned 15/05/2015

**Principal Activities**

The objectives of the Company are to advance the education of Swinburne students by providing amenities, services and facilities for the benefit of Swinburne students.

**Review of Operations**

The financial report has been prepared for the year ended 31 December 2015. The net result is \$2,168,459 (2014: \$211,777).

**Taxation**

The Company is exempt from income tax.

**Dividends, Distributions, Options and Share issues**

As the Company is limited by guarantee, this is not applicable.

**Significant Changes in the State of Affairs**

Mr Andrew C Smith became the Executive Chair of the Company on 02/02/2015.

**Events Subsequent to Balance Date**

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**DIRECTORS' REPORT (cont.)**

**Likely Developments and Expected Results of Operations**

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 or unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

**Environmental Regulation**

The Directors are of the opinion that the Company has complied with all relevant environmental legislation so far as it concerns the operations of the entity.

**Indemnifying Officer or Auditor**

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate; indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost or expenses to defend legal proceedings; with the exception of the following matter:

During or since the financial year the Company paid premiums to insure each of the responsible persons, which excludes the external auditor, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of an officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was paid as part of an overall insurance charge by the Company's parent entity, Swinburne University of Technology.

**Directors' Benefits**

No Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salaries of Directors who are full-time employees of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he/she is a member, or with a Company in which he/she has a substantial financial interest.

**Meetings of Directors**

There were four Board meetings held during the year and the attendance of directors was as follows:

	Number Eligible to to Attend	Number Attended
Prof Linda Kristjanson	4	0
Mr Andrew C Smith (alternate director for Prof Linda Kristjanson)	4	4
Mr Andrew J Smith	2	2
Mr Stephen Beall	4	1
Mr Jeffrey Smart	1	0
Ms Sharon Rice	4	3
Mr Bryan Rossi	2	1
Ms. Sarah Graham	3	3
Ms Kaledeh Echresh	0	0
Ms Amie Watson	4	2
Ms Caitlin Bruty	4	3
Mr Mohammad Himel Khan	3	2
Mr Mohammad Imthiyas Mohamed Ifradh Mubarak	4	3

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**DIRECTORS' REPORT (cont.)**

**Directors' and Officers' Insurance**

The parent entity, Swinburne University of Technology, maintains Directors' and officers' liability insurance that provides redress to the Company to the extent that it is permitted under law to indemnify Directors and officers for wrongful acts committed in the course of their duties.

**Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

**Rounding of Amounts**

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the financial report are rounded to the nearest dollar.

**Economic Dependency**

The Company receives financial support from the parent entity Swinburne University of Technology.

This report is made in accordance with a resolution of the Directors.



Executive Chair  
Mr. Andrew C Smith



Director  
Ms. Sharon Rice

Date Signed: 15/3/16  
Hawthorn

Date Signed: 15/3/16  
Hawthorn

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial report of Swinburne Student Amenities Association Ltd as set out on pages 8 to 28:
  - (a) complies with Australian Accounting Standards as detailed in Note 1 to the financial statements and other mandatory professional reporting requirements.
  - (b) complies with section 44 of the *Swinburne University of Technology Act 2010* (as amended), Standing Direction 4.2 of the Directions of the Victorian Minister for Finance under the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.
  - (c) gives a true and fair view of the Company's financial position as at 31 December 2015 and of the company's performance for the year ended on that date.
2. In the directors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate

This declaration is made in accordance with a resolution of the Board of Directors

  
.....  
Executive Chair  
Mr Andrew C Smith

Date Signed: 15/3/16  
Hawthorn

  
.....  
Director  
Ms Sharon Rice

Date Signed: 15/3/16  
Hawthorn

## AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

The Auditor-General's independence is established by the *Victorian Constitution Act 1975*.

The Auditor-General, an independent officer of the Victorian parliament, is not subject to direction by any person about the way in which his powers are to be exercised. Under the *Audit Act 1994*, the Auditor-General is the auditor of each public authority and for the purposes of conducting an audit has access to all documents and property, and may report to parliament any matters which the Auditor-General considers appropriate.

### *Independence Declaration*

I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Dr. Peter Frost  
*Acting Auditor-General*

Date:



**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>Revenue from continuing operations</b>			
Revenue from continuing activities	3.1	3,556,872	3,040,969
Gains on disposal of assets	3.1	1,801,266	-
<b>Total Income from continuing operations</b>		<u>5,358,138</u>	<u>3,040,969</u>
<b>Expenses from continuing operations</b>			
Employee expenses	3.2(a)	1,426,359	1,620,568
Depreciation	3.2(b)	17,813	21,389
Repairs and maintenance	3.2(c)	5,770	4,687
Other expenses	3.2(d)	1,729,837	1,173,188
Audit fee	3.2(e)	9,900	9,360
<b>Total expenses from continuing operations</b>		<u>3,189,679</u>	<u>2,829,192</u>
<b>Net result for the year</b>		<u>2,168,459</u>	<u>211,777</u>

The above Income Statement should be read in conjunction with the accompanying notes.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>Net result for the year</b>		2,168,459	211,777
<b>Other comprehensive income</b>			
Net gain/(loss) on valuation of available-for-sale financial assets	10	-	145,013
<b>Total other comprehensive income</b>		<u>-</u>	<u>145,013</u>
<b>Total comprehensive income for the year</b>		<u>2,168,459</u>	<u>356,790</u>
<b>Total comprehensive income attributable to the Company</b>		<u>2,168,459</u>	<u>356,790</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4,14	3,902,266	1,921,049
Other current assets	5	118,917	62,622
<b>Total Current Assets</b>		<u>4,021,183</u>	<u>1,983,672</u>
<b>Non-Current Assets</b>			
Plant and equipment	6	89,970	-
Available-for-sale financial assets	18	4,032,062	4,440,113
<b>Total Non-Current Assets</b>		<u>4,122,032</u>	<u>4,440,113</u>
<b>Total Assets</b>		<u>8,143,215</u>	<u>6,423,784</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other current liabilities	8	116,603	44,949
Employee benefits	7	95,839	165,886
<b>Total Current Liabilities</b>		<u>212,442</u>	<u>210,836</u>
<b>Non-Current Liabilities</b>			
Employee benefits	7	28,557	31,171
<b>Total Non-Current Liabilities</b>		<u>28,557</u>	<u>31,171</u>
<b>Total Liabilities</b>		<u>240,999</u>	<u>242,007</u>
<b>NET ASSETS</b>		<u>7,902,216</u>	<u>6,181,778</u>
<b>EQUITY</b>			
Reserves	10	-	1,125,040
Retained earnings	9	7,902,216	5,056,738
<b>TOTAL EQUITY</b>		<u>7,902,216</u>	<u>6,181,778</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 January 2014		4,844,961	980,027	5,824,988
Net result for the year		211,777		211,777
Other comprehensive income for the year	10	-	145,013	145,013
<b>Balance at 31 December 2014</b>		<b>5,056,738</b>	<b>1,125,040</b>	<b>6,181,778</b>
Net result for the year		2,168,459		2,168,459
Other comprehensive income for the year	10	-	(1,125,040)	(1,125,040)
Transfer of retained gains from parent		677,019		677,019
<b>Balance at 31 December 2015</b>		<b>7,902,216</b>	<b>-</b>	<b>7,902,216</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,581,580	2,555,185
Interest received		158,623	72,291
Dividend received		366,186	299,693
Other revenue		410,657	120,457
Receipt/(payment) of GST (to)/from the ATO		84,564	162,357
Payments to employees		(1,468,705)	(1,597,268)
Payments to suppliers (inclusive of GST)		(1,485,153)	(1,299,661)
<b>Net cash flow from operating activities</b>	15	<u>647,752</u>	<u>313,053</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of available-for-sale financial assets	18	5,767,982	-
Payments for available-for-sale financial assets	18	(4,381,576)	-
<b>Net cash flow from investing activities</b>		<u>1,386,406</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from disposal of plant and equipment		45,455	-
Payments for plant and equipment		(98,396)	-
<b>Net cash flow from financing activities</b>		<u>(52,941)</u>	<u>-</u>
Net increase in cash and cash equivalents		1,981,217	313,053
Cash and cash equivalents at the beginning of the financial year		1,921,049	1,607,996
<b>Cash and cash equivalents at the end of the year</b>	4,14	<u><u>3,902,266</u></u>	<u><u>1,921,049</u></u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**1 Statutory Reporting Requirements**

The financial report of Swinburne Student Amenities Association Limited for the year ended 31 December 2015 has been prepared pursuant to section 44 of the *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

**2 Summary of Significant Accounting Policies**

Swinburne Student Amenities Association Limited is a company limited by guarantee, incorporated and domiciled in Australia. The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

**(a) Basis of Preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

*Historical cost convention*

The financial report has been prepared on the accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets at fair value through the income statement.

*Critical accounting estimates*

The preparation of the financial report in conformity with Australian Accounting Standards and the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Swinburne Student Amenities Association's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report, are the valuation of non-current assets (such as plant and equipment and available-for-sale assets), provision for employee entitlements and superannuation. The Company obtains external advice in the calculation of these estimates.

**(b) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of duties and taxes paid. Revenue is recognised for the major business activities as follows:

- Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets; and
- Fees and charges received or receivable in respect of student activities is a portion of the Amenities Fees collected by the parent entity from current students which is provided to the company depending on the activities undertaken.

**(c) Impairment of Assets**

All assets are assessed annually for indicators of impairment. If there is an indication of impairment, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is expensed except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(e) Trade Receivables**

Trade receivables are recognised initially at fair value less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days following end of month of invoice.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the income statement.

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (cont.)

(f) Available-For-Sale Financial Assets

Available-for-sale financial assets comprise principally marketable equity securities. They are recognised as non-current assets unless management intends to dispose of the asset within 12 months of balance date.

Purchases and sales of marketable equity assets are recognised on trade-date - the date on which the company commits to purchase or sell the asset. These financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity in the available-for-sale investment revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. The basis for impairment is a decline in the cost of 20% or greater over a minimum period of 9 months compared to the market value. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(g) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at balance date. The quoted market price used for financial assets held by the Company is the current bid price.

(h) Plant and Equipment

Depreciation on assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

The expected useful lives are as follows:

Class of Non-Current Asset	Useful Life	
	2015	2014
IT Equipment	3 years	3 years
Equipment	3 years	3 years
Motor Vehicles	2.77 years	2.77 years

(i) Acquisition of Assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Plant and equipment are subsequently measured at fair value.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days following end of month of invoice.

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Summary of Significant Accounting Policies (cont.)

(k) Employee Benefits

(i) Wages and salaries, annual leave, and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised as employee benefits at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the company in respect of services provided by employees up to the reporting date. As it is probable that annual sick leave entitlements, which are non vesting, will exceed leave taken, no liability is deemed to have existed as at 31 December 2015 (2014: nil).

(ii) Long service leave

The liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The Company determines that portion expected to be paid in the year which is measured at nominal value and the remainder measured at net present value. 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.

(iii) Performance bonus

A liability for employee benefits in the form of performance bonuses is recognised in employee benefits when there is no realistic alternative but to settle the liability and at least one of the following conditions is met: there are formal terms for determining the amount of the benefit; the amounts to be paid are determined before the time of completion of the financial report; or past practice gives clear evidence of the amount of the obligation. Liabilities for performance bonuses are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Superannuation

The amount expensed in respect of superannuation represents the contributions made by the entity to the superannuation plans in respect of current entity staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

(v) Employee benefit oncosts

Employee benefit oncosts, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

The Annual Leave liability is calculated at the nominal value of the wholly payable amounts to be made in respect of services provided by employees up to the reporting date. Where employees have significant annual leave balances, an estimate is made of the probability of leave to be taken within 12 months and beyond 12 months. The amount of annual leave estimated to be taken beyond 12 months is discounted.

The Long Service Leave liability is calculated as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Long Service Leave is available to be taken after 10 years of service but is historically taken much later. However, the Company allows for long service leave to be taken on a pro-rata basis on termination after 7 year of service.

Accrued salaries is the proportion of unpaid salaries due to employees as at the end of the reporting year due to fortnightly pay periods extending beyond the reporting date. This figure is accrued and brought to account at year end.



**Notes to the Financial Statements for the Year Ended 31 December 2015**

**2 Summary of Significant Accounting Policies (cont.)**

**(l) Income Tax**

Swinburne Student Amenities Association is exempt from income tax pursuant to section 23(e) of the *Income Tax Assessment Act 1936* (as amended).

**(m) Commitments**

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of the GST payable.

**(n) Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 16) and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of the GST receivable or payable respectively.

**(o) Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included with other receivables or payables in the Statement of Financial Position.

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

**(p) Rounding of Amounts**

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded in accordance with that Class Order to the nearest dollar.

**(q) Australian Accounting Standards, Amendments and Interpretations issued but not yet effective**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

**AASB 9 Financial Instruments**

**Applicable date: 1 January 2018**

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

**Impact on entity financial statements**

The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the income statement.

While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

**AASB 15 Revenue from Contracts with Customers**

**Applicable date: 1 January 2017**

(Exposure Draft 263 – potential deferral to 1 Jan 2018)

The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.

**Impact on entity financial statements**

The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods.

Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.

**Notes to the Financial Statements for the Year Ended 31 December 2015**

**2 Summary of Significant Accounting Policies (cont.)**

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2015 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on entity reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments] [Applicable date: 1 January 2018]
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]
  
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138] [Applicable date: 1 January 2016]
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128] [Applicable date: 1 January 2016]
- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128] [Applicable date: 1 January 2016]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049] [Applicable date: 1 January 2016]

The Company does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

**(r) Australian Accounting Standards issued and adopted early**

As at 31 December 2015, the following standards and interpretations have been issued and adopted early. They were not mandatory for the reporting period 31 December 2015.

- AASB 2015-7 Fair Value disclosures of Not-for-Profit Public Sector Entities.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
**ABN 35 117 060 232**

**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 3: Income and Expenditure from Continuing Operations**

	2015	2014
	\$	\$
<b>3.1 Revenue from operating activities</b>		
Fees and charges	2,609,621	2,546,074
Donations, scholarships and sponsorships	11,785	2,454
Other operating receipts	410,657	120,457
	<u>3,032,063</u>	<u>2,668,984</u>
<b>Revenue from non-operating activities</b>		
Interest	158,623	72,291
Dividend	366,186	299,693
Total investment revenue	<u>524,809</u>	<u>371,984</u>
<b>Total revenue from continuing operations</b>	<u>3,556,872</u>	<u>3,040,969</u>
<b>Other contributions to Income</b>		
Gain on sale of plant and equipment	45,455	-
Gain on realisation of available-for-sale financial assets	1,755,811	-
	<u>1,801,266</u>	<u>-</u>
<b>Total income from continuing operations</b>	<u>5,358,138</u>	<u>3,040,969</u>
<b>3.2 Expenses</b>		
<b>(a) Employee Benefits</b>		
Salaries	1,071,288	1,304,802
Superannuation	148,177	148,080
Payroll tax	74,361	74,390
Annual leave	96,365	76,218
Long service leave	28,985	9,923
Total employee benefits	<u>1,419,176</u>	<u>1,613,414</u>
<b>Other employee related costs</b>		
Work cover	7,183	7,154
<b>Total employee expenses</b>	<u>1,426,359</u>	<u>1,620,568</u>
<b>(b) Depreciation of Plant and Equipment</b>		
Boat and equipment	17,813	21,389
Total depreciation expense	<u>17,813</u>	<u>21,389</u>
<b>(c) Repairs and Maintenance</b>		
Repairs and maintenance	5,770	4,687
Total Repairs and maintenance expense	<u>5,770</u>	<u>4,687</u>
<b>(d) Other Expenditure</b>		
Insurance	-	33
Subscriptions/memberships	2,472	71,249
Travel	155,919	122,128
HALC (Sporting facilities for students)	219,746	144,164
Printing	22,161	27,338
Promotion	44,352	30,924
Professional services	118,516	70,239
Student social functions	249,113	201,633
Orientation expenditure	394,473	339,014
Licences fees	710	-
Scholarships	82,136	90,148
Realised losses on available for sale investments	329,435	-
Other expenditure	110,803	76,317
Total of other expenditure	<u>1,729,837</u>	<u>1,173,188</u>
<b>(e) Audit Fee</b>		
Victorian Auditor-General's Office	9,900	9,360
Total audit fee	<u>9,900</u>	<u>9,360</u>

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

	2015	2014
	\$	\$
<b>Note 4: Cash and Cash Equivalents</b>		
Cash in hand (petty cash)	-	800
Cash trust	1,754,298	-
Intercompany cash	2,147,968	1,920,249
<b>Total cash and cash equivalents</b>	<u>3,902,266</u>	<u>1,921,049</u>

The entity does not have a bank account in its own name. All monies received and all expenses are paid from the bank account of Swinburne University of Technology. The University has created inter-company accounts to handle the balancing of the cash flow.

**Note 5: Other Current Assets**

Accrued income	110,113	58,027
GST receivables	5,281	936
Prepayments	3,523	3,660
<b>Total other current assets</b>	<u>118,917</u>	<u>62,622</u>

**Note 6: Plant and Equipment**

Equipment - at fair value	107,783	76,122
Less accumulated depreciation	(17,813)	(76,122)
	<u>89,970</u>	<u>-</u>
<b>Total Plant and Equipment</b>	<u>89,970</u>	<u>-</u>

**(a) Movements in carrying amounts**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	<b>Equipment</b>
	<b>\$</b>
Carrying amount at 1 January 2015	-
Disposals	-
Additions	107,783
Depreciation	(17,813)
Carrying amount at 31 December 2015	<u>89,970</u>
<b>At 1 January 2015</b>	
At fair value	76,122
Accumulated depreciation and impairment	(76,122)
Net carrying amount	<u>-</u>
<b>At 31 December 2015</b>	
At fair value	107,783
Accumulated depreciation	(17,813)
Net carrying amount	<u>89,970</u>
	<b>Equipment</b>
	<b>\$</b>
Carrying amount at 1 January 2014	21,389
Additions	-
Disposals	-
Depreciation	(21,389)
Carrying amount at 31 December 2014	<u>-</u>
<b>At 1 January 2014</b>	
At fair value	76,122
Accumulated depreciation and impairment	(54,733)
Net carrying amount	<u>21,389</u>
<b>At 31 December 2014</b>	
At fair value	76,122
Accumulated depreciation	(76,122)
Net carrying amount	<u>-</u>

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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 7: Employee Benefits**

	2015	2014
	\$	\$
<b>Current</b>		
Performance pays	-	11,325
Annual leave	64,852	73,186
Long service leave	30,987	81,376
<b>Total Current</b>	<u>95,839</u>	<u>165,886</u>
<b>Non-Current</b>		
Long service leave	28,557	31,171
<b>Total Non-Current</b>	<u>28,557</u>	<u>31,171</u>
<b>Aggregate carrying amount</b>		
Current	95,839	165,886
Non-current	28,557	31,171
<b>Total Employee Benefits</b>	<u>124,396</u>	<u>197,057</u>
<b>Current Provisions expected to be settled within 12 months</b>		
Performance pays	-	11,325
Annual leave	37,402	37,601
Long service leave	19,842	17,666
	<u>57,244</u>	<u>66,592</u>
<b>Current Provisions expected to be settled after 12 months</b>		
Annual leave	27,450	35,585
Long service leave	11,145	63,710
	<u>38,595</u>	<u>99,295</u>
<b>Average employee numbers during the reporting year</b>	17	18
The following assumptions were adopted in measuring the present value of long service leave entitlements		
Weighted average increase in employee costs	3.10%	3.10%
Weighted average discount rates	2.50%	2.50%
<b>Note 8: Other Current Liabilities</b>	2015	2014
	\$	\$
Sundry creditors	60,563	20,359
Income in advance	9,011	7,877
Accrued salaries	47,028	16,713
	<u>116,603</u>	<u>44,949</u>
<b>Note 9: Retained Earnings</b>		
Retained earnings at 1 January 2015	5,056,738	4,844,961
Net result for the year	2,168,459	211,777
Transfer of retained gains from parent	677,019	-
<b>Retained earnings at 31 December 2015</b>	<u>7,902,216</u>	<u>5,056,738</u>

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 10: Reserves**

**Available for sale revaluation reserve**

Opening balance	1,125,040	980,027
Transfer from Parent	448,286	-
Realised gain/(loss) - Available-for-Sale Financial Assets	(1,573,325)	145,013
<b>Total available for sale revaluation reserve</b>	<b>-</b>	<b>1,125,040</b>

**Note 11: Segment Information**

The Company operates in the educational sector in the State of Victoria.

**Note 12: Company Structure**

The Company's ultimate parent entity is Swinburne University of Technology.

**Note 13: Related Party Disclosures**

**(a) Directors**

The names of the persons who were directors of Swinburne Student Amenities Association Ltd during the financial year were:

- Professor Linda Kristjanson (Vice Chancellor - Swinburne University of Technology)
- Mr. Andrew C Smith (Executive Chair - SSAA) (Vice President Engagement - Swinburne University of Technology)
- Mr. Andrew J Smith (Vice President Corporate Services - Swinburne University of Technology) - appointed 19/08/2015
- Mr. Stephen Beall (VP Student and Corporate Services - Swinburne University of Technology)
- Mr. Jeffrey Smart (Pro Vice Chancellor (International Recruitment) - Swinburne University of Technology) - resigned 11/03/2015
- Mr. Bryan Rossi (Chief Financial Officer and Vice-President (Planning and Performance) - Swinburne University of Technology) resigned 03/07/2015
- Ms. Sharon Rice (Director Learning, TAFE School of Sustainable Futures)
- Ms. Sarah Graham (International & Students - Swinburne University of Technology) - appointed 29/03/2015
- Ms. Amie Watson (Student Director) - term expired 31/12/2015
- Ms. Kaledeh Echresh (TAFE Student) - term expired 01/01/2015
- Ms. Caitlin Bruty (Postgraduate Student)
- Mr. Mohammad Himel Khan (International Student) - resigned 10/10/2015
- Mr. Mohammad Imthiyas Mohamed Ifradh Mubarak (International Student) - appointed 13/02/2015

Number of directors whose remuneration was within the following bands:

	Total Remuneration		Base Remuneration	
	2015	2014	2015	2014
	Number	Number	Number	Number
Nil - \$9,999	4	4	4	4
\$140,000 - \$149,999	-	-	1	-
\$150,000 - \$159,999	-	-	1	-
\$160,000 - \$169,999	-	-	-	1
\$170,000 - \$179,999	1	-	-	-
\$190,000 - \$199,999	-	1	-	-
\$210,000 - \$219,999	-	-	1	-
\$270,000 - \$279,999	2	-	-	-
\$280,000 - \$289,999	-	-	-	1
\$290,000 - \$299,999	-	-	1	1
\$320,000 - \$329,999	-	-	1	-
\$370,000 - \$379,999	-	-	1	-
\$390,000 - \$399,999	-	2	-	-
\$430,000 - \$439,999	1	-	-	-
\$440,000 - \$449,999	-	-	1	-
\$500,000 - \$509,999	1	-	-	-
\$530,000 - \$539,999	1	-	-	1
\$610,000 - \$619,999	-	-	-	1
\$630,000 - \$639,999	-	1	-	-
\$650,000 - \$659,999	-	-	1	-
\$820,000 - \$829,999	-	1	-	-
\$880,000 - \$889,999	1	-	-	-
	<b>11</b>	<b>9</b>	<b>11</b>	<b>9</b>
<b>Total Annualised Employee Equivalent (AEE)</b>	<b>5.1</b>	<b>6.0</b>	<b>5.1</b>	<b>6.0</b>
<b>Total Remuneration</b>	<b>3,072,817</b>	<b>2,446,711</b>	<b>2,313,603</b>	<b>1,997,116</b>

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 13: Related Party Disclosures (contd.)**

	2015	2014
Short-term employee benefits	2,710,206	2,208,092
Post-employment benefits	328,149	238,619
Termination benefits	34,462	-
<b>Total Remuneration</b>	<u>3,072,817</u>	<u>2,446,711</u>

Note: The Executive Chair's remuneration has been excluded from total director's remuneration as it has been disclosed separately in Note 13(c).

**(b) Minister**

The Responsible Person during the financial year was Hon. Steve Herbert, MLC Minister for Training and Skills. Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Member's Interests which each member of the Parliament completes.

**(c) Executive officers' remuneration**

The number of executive officers, other than responsible persons, whose total remuneration is above \$100,000, as follows:

Income received or due and receivable by the executive officer of the company, including amounts received.

	Total Remuneration		Base Remuneration	
	2015	2014	2015	2014
	Number		Number	
\$270,000 - \$279,999	-	-	-	1
\$280,000 - \$289,999	-	-	1	-
\$350,000 - \$359,999	1	-	-	-
\$360,000 - \$369,999	-	1	-	-
\$440,000 - \$499,999	-	-	-	1
\$760,000 - \$769,000	-	1	-	-
	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>
<b>Total Annualised Employee Equivalent (AEE)</b>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Total Remuneration</b>	<u>359,722</u>	<u>1,120,926</u>	<u>284,216</u>	<u>718,895</u>

	2015	2014
Short-term employee benefits	328,719	804,502
Post-employment benefits	31,003	47,472
Termination benefits	-	268,952
<b>Total Remuneration</b>	<u>359,722</u>	<u>1,120,926</u>

**(d) Retirement benefits of responsible persons**

The retirement benefits paid by the entity in connection with the retirement of responsible persons of the Company amounted to nil (2014: nil).

**(e) Related party transactions**

Other transactions and loans have been considered in terms of the disclosure requirements specified under the Directions of the Minister for Finance, these are as follows:

	2015	2014
	\$	\$
Income received from Swinburne University of Technology	17,635	6,265
Expenditure paid to Swinburne University of Technology	-	-

Ms Caitlin Bruty (Postgraduate Student) (appointed 27/11/2013) is an office bearer of Swinburne Student Union. The Company has paid \$613.50 (2014: \$1,333) to the Swinburne Student Union during 2015.

**(f) Ultimate parent entity**

The ultimate parent entity is Swinburne University of Technology.

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 14: Reconciliation of Cash**

**(a) Reconciliation of cash**

Cash at the end of the financial year, as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	2015	2014
	\$	\$
Intercompany cash	2,147,968	1,920,249
Cash trust	1,754,298	-
Petty cash	-	800
Cash at the end of the financial year	<u>3,902,266</u>	<u>1,921,049</u>

The Company has no credit stand-by arrangements or loan facilities at 31 December 2015 (2014: nil).

**Note 15: Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities**

	2015	2014
	\$	\$
<b>Net result for the year</b>	2,168,459	211,777
<b>Add/(less) Non-Cash Flows in Net Operating Result</b>		
Depreciation	17,813	21,389
Realised losses available-for-sale investment	329,435	-
In kind contribution	(9,387)	-
Loss/(Gain) on sale of asset	(1,801,266)	-
<b>Changes in Assets and Liabilities</b>		
Decrease/(increase) in other current assets	(56,295)	49,871
(Decrease)/increase in other current liabilities	71,654	6,717
(Decrease)/increase in employee benefits	(72,661)	23,299
<b>Net Cash Flows from Operating Activities</b>	<u>647,752</u>	<u>313,053</u>

**Note 16: Contingent Assets and Contingent Liabilities**

There are no contingent assets or contingent liabilities as at 31 December 2015 (2014: nil).

**Note 17: Commitments**

There are no capital, operating or other outsourcing commitments as at 31 December 2015 (2014: nil).

**Note 18: Available-for-Sale Financial Assets**

Balance at 1 January 2015 (Equity Trustees)	4,440,113	4,295,100
Transfer from parent company	1,125,304	-
Realised gains on disposal	202,565	-
Disposals	(5,767,982)	145,013
Balance at 12 May 2015	<u>-</u>	<u>4,440,113</u>
Opening balance at 12 May 2015 (JANA 2)	-	4,440,113
Additions	5,767,982	-
Distributions reinvestments	324,065	-
Losses taken to income statement	(329,435)	-
Transfer of cash portion to cash trust	(1,730,550)	-
<b>Balance at 31 December 2015</b>	<u>4,032,062</u>	<u>4,440,113</u>
<b>Listed securities</b>		
Units in Unit Trust	4,032,062	4,440,113
	<u>4,032,062</u>	<u>4,440,113</u>

Note: Based on expected higher returns on investments, management decided to transfer management of investment portfolio from Equity Trustees to JANA (MLC Investments Limited).

**Note 19: Superannuation Funds**

Swinburne Student Amenities Association Ltd employees are members of Unisuper under the Workchoice legislation. Employee contributions were 13% in 2015 (2014: 13%). In 2015 contributions made were \$148,177 (2014: \$148,080). No employee contributions were outstanding as at 31 December 2015 (2014: nil).

**Note 20: Company Details**

The registered office of Swinburne Student Amenities Association is:

c/- Swinburne University of Technology  
 John Street  
 Hawthorn VIC 3122

**Note 21: Events Occurring after Balance Date**

No matters or circumstances have arisen since the end of the reporting year which significantly affect or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the Company in future financial years.

**Note 22: Economic Dependency**

Swinburne Student Amenities Association Ltd receives financial support from the parent entity, Swinburne University of Technology.



Notes to the Financial Statements for the Year Ended 31 December 2015

**Note 23: Financial Risk Management Objectives and Policies**

The Company's activities expose it to certain market risks. Risk management is carried out by a central treasury section within the Corporate Finance department of Swinburne University of Technology which adheres to policies approved by the University Council.

**(a) Financial Risk Management Objectives and Policies**

The financial instruments the Company holds and the details of significant accounting policies and methods adopted, including the criteria for recognition and the basis for measurement are disclosed below:

Recognised financial instruments	Note	Accounting policies	Terms and conditions
Cash and Cash Equivalents	4	Cash at bank is carried at the principal amount. Interest received on any bank balance is recognised as income when the bank account is credited. Interest receivable at balance date is accounted for by crediting revenue and debiting Accrued Income in the statement of financial position.	Interest is paid monthly, at the prevailing bank rate, based on the average credit balance in the bank account.
Receivables – Debtors	5	Debtors are carried at the nominal amounts due less any provision for doubtful debts and impairment. A doubtful debts provision is made for any amounts which are considered unlikely to be collectable, or are impaired.	Credit is allowed for a 30 day term from end of month.
Payables	8	Payables are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to the company.	Settlement of payables is normally effected 30 days after the end of the month the debt is incurred.
Available-for-Sale Financial Assets	18	Shares in corporations are carried at fair value. Dividends are recognised as income when received and changes in fair value are adjusted against equity.	Shares in corporations are listed on Australian and International Stock Exchanges. Dividends are dependent on resolutions of the directors of the corporations concerned.

**(b) Market Risk**

*(i) Interest rate risk*

The Company is exposed to market risk for changes in interest rates related primarily to short to medium term funds held to finance operations and which are invested by the parent company on behalf of the Company.

*(ii) Equity Market risk*

The Company is exposed to equity securities price risk held within a portfolio managed by JANA (MLC Investments Limited) which is benchmarked against S&P/ASX100 Price Index excluding property trusts.

The investments were managed by Equity Trustees until 12 May 2015. Management of investment portfolio was then transferred to JANA (MLC Investments Limited).

*(iii) Foreign Exchange risk*

The Company has not traded or undertaken any activities that exposes it to foreign exchange risk.

**(c) Credit Risk**

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the entity.

Other than an intercompany receivable from Swinburne University, the entity does not have any exposure to any individual counterparty or major concentrations of credit risk that arise from the entity's financial instruments.

**(d) Liquidity Risk**

The Company's objective is to maintain a reasonable level of liquidity in order to fund its operational and management objectives.

Notes to the Financial Statements for the Year Ended 31 December 2015

Note 23: Financial Risk Management Objectives and Policies (cont.)

Maturity analysis of financial liabilities

2015 Other Current Liabilities	Carrying Amount	Nominal Amount
Sundry creditors	60,563	60,563
Income in advance	9,011	9,011
Accrued salaries	47,028	47,028
<b>Total</b>	<b>116,603</b>	<b>116,603</b>

2014 Other Current Liabilities	Carrying Amount	Nominal Amount
Sundry creditors	20,359	20,359
Income in advance	7,877	7,877
Accrued salaries	16,713	16,713
<b>Total</b>	<b>44,949</b>	<b>44,949</b>

Maturity Dates				
	less than 30 days	30 days	30-60 days	Total
2015 Other Current Liabilities				
Sundry creditors	-	60,563	-	60,563
Income in advance	-	9,011	-	9,011
Accrued salaries	-	47,028	-	47,028
	-	116,603	-	116,603
2014 Other Current Liabilities				
Sundry creditors	-	20,359	-	20,359
Income in advance	-	7,877	-	7,877
Accrued salaries	-	16,713	-	16,713
	-	44,949	-	44,949

(e) Summarised sensitivity analysis (2015)

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to equity risk and interest rate risk.

	Carrying amount	Equity risk			
		-10%	Equity	10%	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Available-for-Sale financial assets	4,032,062	(403,206)	(403,206)	403,206	403,206
<b>Total increase/(decrease)</b>		<b>(403,206)</b>	<b>(403,206)</b>	<b>403,206</b>	<b>403,206</b>

	Carrying amount	Interest rate risk			
		-2%	Equity	2%	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Available-for-Sale financial assets	4,032,062	(80,641)	(80,641)	80,641	80,641
<b>Total increase/(decrease)</b>		<b>(80,641)</b>	<b>(80,641)</b>	<b>80,641</b>	<b>80,641</b>

Summarised sensitivity analysis (2014)

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to equity risk and interest rate risk.

	Carrying amount	Equity risk			
		-10%	Equity	10%	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Available-for-Sale financial assets	4,440,113	(444,011)	(444,011)	444,011	444,011
<b>Total increase/(decrease)</b>		<b>(444,011)</b>	<b>(444,011)</b>	<b>444,011</b>	<b>444,011</b>

	Carrying amount	Interest rate risk			
		-2%	Equity	2%	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Available-for-Sale financial assets	4,440,113	(88,802)	(88,802)	88,802	88,802
<b>Total increase/(decrease)</b>		<b>(88,802)</b>	<b>(88,802)</b>	<b>88,802</b>	<b>88,802</b>

**SWINBURNE STUDENT AMENITIES ASSOCIATION LTD**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 24: Fair Value Measurements**

**a) Fair Value Measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Due to the short-term nature of the current receivables and payables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables and payables that are neither past due nor impaired will be received and paid when due.

The carrying amounts and aggregate fair values of financial assets and liabilities at balance date are:

Note	Carrying Amount		Fair Value		
	2015	2014	2015	2014	
	\$	\$	\$	\$	
<b>Financial Assets</b>					
Cash and cash equivalents	4	3,902,266	1,921,049	3,902,266	1,921,049
Receivables	5	113,636	60,750	113,636	60,750
Available-for-Sale financial assets	18	4,032,062	4,440,113	4,032,062	4,440,113
<b>Total Financial Assets</b>		<b>8,047,964</b>	<b>6,421,912</b>	<b>8,047,964</b>	<b>6,421,912</b>
<b>Financial Liabilities</b>					
Other current liabilities	8	116,603	44,949	116,603	44,949
<b>Total Financial Liabilities</b>		<b>116,603</b>	<b>44,949</b>	<b>116,603</b>	<b>44,949</b>

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Available-for-sale financial assets

**b) Fair Value Measurement Hierarchy**

The company categorises equipment at fair value into a hierarchy based on the level of inputs used in measurement.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurements recognised in the balance sheet are categorised into the following levels at year end.

**Recurring Fair Value Measurements**

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
<b>31 December 2015</b>					
<b>Financial Assets</b>					
Available-for-Sale financial assets	18	4,032,062	-	-	4,032,062
		<b>4,032,062</b>	-	-	<b>4,032,062</b>
<b>Non-Financial Assets</b>					
Plant and Equipment	6	-	-	89,970	89,970
		-	-	<b>89,970</b>	<b>89,970</b>
<b>31 December 2014</b>					
<b>Financial Assets</b>					
Available-for-Sale financial assets	18	4,440,113	-	-	4,440,113
		<b>4,440,113</b>	-	-	<b>4,440,113</b>
<b>Non-Financial Assets</b>					
Plant and Equipment	6	-	-	21,389	21,389
		-	-	<b>21,389</b>	<b>21,389</b>

**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 24: Fair Value Measurements (cont.)**

The net fair value of assets or liabilities traded in active markets (such as trading and available-for-sale securities) is based on the valuations provided by JANA (MLC Investments Limited) at balance date (level 1). This is the most representative of fair value in the circumstances.

**(c) Valuation techniques used to derive level 2 and 3 fair values**

**Recurring fair value measurements**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Note 24: Fair Value Measurements (cont.)**

**(d) Fair value measurements using significant unobservable inputs (level 3)**

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014:

**Level 3 Fair Value Measurements 2015**

	Equipment	\$
Opening Balance		-
Acquisitions	107,783	
Recognised in the net operating result for the year	(17,813)	
Closing Balance	<u>89,970</u>	

\*unrealised gains/(losses) recognised in the net operating result for the year attributable to assets held at the end of the reporting period.

**Level 3 Fair Value Measurements 2014**

	Equipment	\$
Opening Balance	21,389	
Recognised in P&L*	(21,389)	
Closing Balance	<u>-</u>	

*(i) Transfers between levels 2 and 3 and changes in valuation techniques*

There were no transfers between levels 1, 2 or 3 for recurring fair value measurements or changes in valuation techniques during the year.

*(ii) Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Valuation Technique	Significant Unobservable inputs
Equipment	Depreciated Replacement Cost	Useful Life