

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

**REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2018**

**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). In 2017, the trading name of the company was changed from Swinburne Student Amenities Association Limited (SSAA) to Swinburne Student Life. The company's new trading name does not affect the company's legal name.

The responsible Minister is the Hon. Gayle Tierney MLC, Minister for Training and Skills. Remuneration of the responsible Minister is disclosed in the financial report of the Department of Parliamentary Services. 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**

**Directors**

The Directors of the company during the financial year were:

- Ms Jane Ward (Executive Chair)
- Ms Sarah Graham
- Ms Sharon Rice
- Dr Andrew J Smith
- Professor Glen Bates

**Swinburne Student Directors**

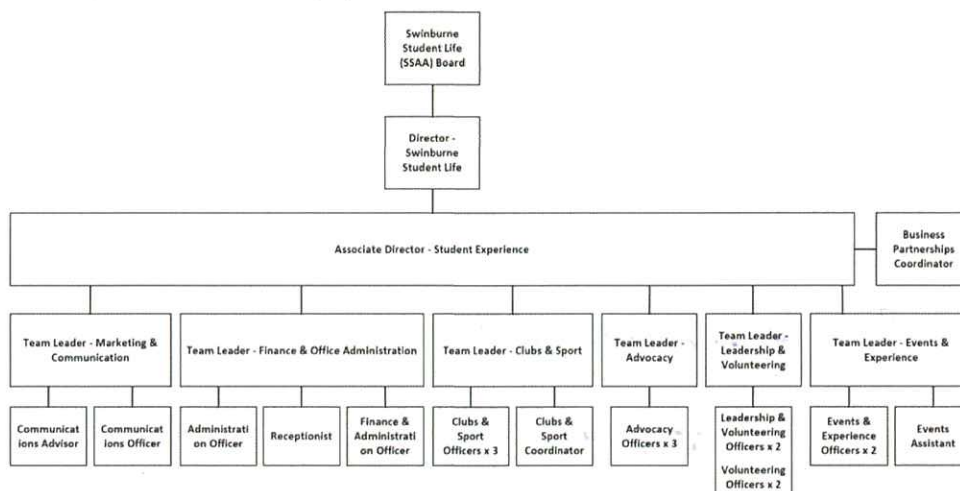
The Swinburne Student Directors of the company during the financial year were:

- Mr Mark Trapak (PAVE student) - Term ended 26/02/2018
- Ms Elisabeth Jane Harris (PAVE student) - Period from 26/09/2018 to 31/12/2018
- Mr Qasim Rehan (Undergraduate student) - Term commenced 01/01/2018
- Mr Abdul Rehman Khan (Postgraduate student) - Period from 02/01/2018 to 03/08/2018 and reinstated from 01/01/2019
- Mr Mohamed Ifradh Mubarak Imthiyas (International student) - Term commenced 01/01/2018

**Company Secretary**

Ms Emma Lincoln

The organisation structure of the company is as follows:



During 2018, the company updated its organisational structure. As at 31 December 2018, recruitment was in process. The company has 24 employees with equivalent full time of 24 (2017: 22).

	2017				2018			
	Full Time	Part Time	Casual	Total	Full Time	Part Time	Casual	Total
Male	5	0	0	5	5	0	1	6
Female	15	3	0	18	16	0	2	18
Total	20	3	0	23	21	0	3	24

REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2018 (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 the policies of Swinburne University of Technology.

**Freedom of Information**

There have been no requests made to the company under the *Freedom of Information Act (Vic, 1982)* (2017: nil).

**Whistleblowers Protection**

The company complies with the policies and procedures in relation to the protections provided under the *Protected Disclosure Act 2012*. The company received no applications in 2018, (2017: nil).

**Operating Performance and Financial Position**

	2014	2015	2016	2017	2018
	\$000	\$000	\$000	\$000	\$000
Revenue	3,041	5,358	3,653	3,895	3,985
Expenses	2,829	3,190	3,473	3,581	3,951
Net result	212	2,168	181	315	34
Assets	6,424	8,143	8,459	8,704	8,724
Liabilities	242	241	287	217	204
Equity	6,182	7,902	8,172	8,487	8,521

**Operational and Budgetary Objectives**

The company's operational and budgetary plans and objectives for 2018 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.



Executive Chair  
Ms Jane Ward

Date Signed: 27/3/19  
Hawthorn



Director  
Dr Andrew J Smith

Date Signed: 27/3/19  
Hawthorn

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

**DIRECTORS' REPORT**

The Directors present their report on the company for the financial year ended 31 December 2018. 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 names and details of the Directors of the company during the financial year or at the date of this report were:

Name: Ms Jane Ward (Executive Chair)

Experience: Vice President, Engagement - Swinburne University of Technology

Name: Ms Sarah Graham

Experience: Chief Marketing Officer, Marketing and Future Students - Swinburne University of Technology

Name: Ms Sharon Rice

Experience: Executive Director, Major Projects, Pathways and Vocational Education - Swinburne University of Technology

Name: Dr Andrew J Smith

Experience: Vice President, Students - Swinburne University of Technology

Name: Professor Glen Bates

Experience: Pro Vice-Chancellor, Student Engagement - Swinburne University of Technology

**Swinburne Student Directors**

The Swinburne Student Directors of the company during the financial year were:

Mr Mark Trapak (PAVE student) - Term ended 26/02/2018

Ms Elisabeth Jane Harris (PAVE student) - Period from 26/09/2018 to 31/12/2018

Mr Qasim Rehan (Undergraduate student) - Term commenced 01/01/2018

Mr Abdul Rehman Khan (Postgraduate student) - Period from 02/01/2018 to 03/08/2018 and reinstated from 01/01/2019

Mr Mohamed Ifradh Mubarak Imthiyas (International student) - Term commenced 01/01/2018

**Company Secretary**

Ms Emma Lincoln

**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 2018. The net result is \$33,774 (2017: \$314,866).

**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**

There were no significant changes in the state of affairs in 2018.

**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.

**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; and
- 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.

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 Attend	Number Attended
Ms Jane Ward	4	4
Ms Sarah Graham	4	3
Ms Sharon Rice	4	2
Dr Andrew J Smith	4	3
Professor Glen Bates	4	4
Mr Mark Trapak	0	0
Ms Elisabeth Jane Harris	2	2
Mr Qasim Rehan	4	3
Mr Abdul Rehman Khan	2	2
Mr Mohamed Ifradh Mubarak Imthiyas	4	2



SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
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**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 ASIC Class Order 2016/191 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  
Ms Jane Ward

Date Signed: 27/3/19  
Hawthorn



Director  
Dr Andrew J Smith

Date Signed: 27/3/19  
Hawthorn

**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 27:
  - (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 5.2 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 2018 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.
4. Accordingly the annual financial statements, report of operations, directors' report, and solvency declaration be approved and the Chair or any other director be authorised to sign these.
5. That the Auditor-General of Victoria be confirmed as the company's auditor for 2018.

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



Executive Chair  
Ms Jane Ward

Date Signed: 27/3/19  
Hawthorn



Director  
Dr Andrew J Smith

Date Signed: 27/3/19  
Hawthorn

## Auditor-General's Independence Declaration

### To the Board, Swinburne Student Amenities Association Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

### *Independence Declaration*

As auditor for Swinburne Student Amenities Association Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.



MELBOURNE  
2 April 2019

Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

## Independent Auditor's Report

### To the Board of Swinburne Student Amenities Association Limited

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<b>Opinion</b>	<p>I have audited the financial report of Swinburne Student Amenities Association Limited (the company) which comprises the:</p> <ul style="list-style-type: none"><li>• statement of financial position as at 31 December 2018</li><li>• income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• directors' declaration.</li></ul> <p>In my opinion the financial report is in accordance with Part 7 of the Financial Management Act 1994 and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"><li>• giving a true and fair view of the financial position of the company as at 31 December 2018 and of its financial performance and its cash flows for the year then ended</li><li>• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li></ul>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the company is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, Part 7 of the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the company'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 it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
 ABN 35 117 060 232

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017* \$
<b>Revenue from continuing operations</b>			
Revenue from continuing activities	3.1	3,924,780	3,584,325
Gains on disposal of assets	3.1	60,455	-
Unrealised gain on financial assets at fair value through profit and loss	3.1	-	311,141
<b>Total Income from continuing operations</b>		<u>3,985,235</u>	<u>3,895,466</u>
<b>Expenses from continuing operations</b>			
Employee expenses	3.2(a)	2,199,285	2,054,621
Depreciation	3.2(b)	13,147	36,995
Repairs and maintenance	3.2(c)	20,739	3,375
Other expenses	3.2(d)	1,403,615	1,471,989
Unrealised loss on financial assets at fair value through profit and loss	3.2(d)	303,974	-
Audit fee	3.2(e)	10,700	13,620
<b>Total expenses from continuing operations</b>		<u>3,951,460</u>	<u>3,580,600</u>
<b>Net result for the year</b>		<u>33,774</u>	<u>314,866</u>

The above income statement should be read in conjunction with the accompanying notes.

\*2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017* \$
<b>Net result for the year</b>		33,774	314,866
<b>Other comprehensive income</b>			
Gain/(Loss) on valuation of financial assets	10	-	-
<b>Total other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>33,774</u>	<u>314,866</u>
<b>Total comprehensive income attributable to the company</b>		<u>33,774</u>	<u>314,866</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

\*2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
 ABN 35 117 060 232

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$	2017* \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4,14	2,037,645	1,972,919
Other current assets	5	47,234	99,921
<b>Total Current Assets</b>		<u>2,084,880</u>	<u>2,072,840</u>
<b>Non-Current Assets</b>			
Plant and equipment	6	30,720	46,522
Financial assets	18	6,608,884	6,584,627
<b>Total Non-Current Assets</b>		<u>6,639,604</u>	<u>6,631,149</u>
<b>Total Assets</b>		<u>8,724,483</u>	<u>8,703,989</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other current liabilities	8	54,072	63,112
Employee benefits	7	92,732	102,262
<b>Total Current Liabilities</b>		<u>146,804</u>	<u>165,374</u>
<b>Non-Current Liabilities</b>			
Employee benefits	7	56,914	51,624
<b>Total Non-Current Liabilities</b>		<u>56,914</u>	<u>51,624</u>
<b>Total Liabilities</b>		<u>203,718</u>	<u>216,998</u>
<b>NET ASSETS</b>		<u>8,520,765</u>	<u>8,486,991</u>
<b>EQUITY</b>			
Reserves	10	-	-
Retained earnings	9	8,520,765	8,486,991
<b>TOTAL EQUITY</b>		<u>8,520,765</u>	<u>8,486,991</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

\*2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 January 2017		8,172,125	-	8,172,125
Net result for the year		314,866	-	314,866
Other comprehensive income for the year		-	-	-
<b>Balance at 31 December 2017*</b>		<u>8,486,991</u>	<u>-</u>	<u>8,486,991</u>
Net result for the year		33,774	-	33,774
Other comprehensive income for the year		-	-	-
<b>Balance at 31 December 2018</b>		<u>8,520,765</u>	<u>-</u>	<u>8,520,765</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.  
 \*2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,566,606	2,979,390
Interest received		28,162	32,889
Dividend received		311,078	226,725
Other revenue		1,099,626	305,802
Receipt/(payment) of GST (to)/from the ATO		92,430	104,034
Payments to employees		(2,201,338)	(2,047,977)
Payments to suppliers (inclusive of GST)		(1,566,715)	(1,691,070)
<b>Net cash flow from operating activities</b>	15	<u>329,848</u>	<u>(90,207)</u>
<b>Cash flows from investing activities</b>			
Payments for financial assets	18	(328,230)	(159,757)
Payments for plant and equipment		(8,850)	(31,420)
Proceeds from disposal of plant and equipment		71,959	-
<b>Net cash flow from investing activities</b>		<u>(265,121)</u>	<u>(191,177)</u>
Net increase in cash and cash equivalents		64,727	(281,384)
Cash and cash equivalents at the beginning of the financial year		1,972,919	2,254,302
<b>Cash and cash equivalents at the end of the year</b>	4,14	<u>2,037,645</u>	<u>1,972,919</u>

The above cash flow statement should be read in conjunction with the accompanying notes.



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

**Notes to the Financial Statements for the Year Ended 31 December 2018**

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Notes to the Financial Statements for the Year Ended 31 December 2018

**1 Statutory Reporting Requirements**

The financial report of Swinburne Student Amenities Association Limited for the year ended 31 December 2018 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 and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the Australian Government's Department of Education and Training, other Victorian and Australian Government legislative requirements, the requirements of the *Swinburne University of Technology Act 2010*, the *Victorian 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 an accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and certain classes of property, plant and equipment to fair value.

*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 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 are recorded at fair value and include amounts received or receivable in respect of student activities. They represent 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.
- Donations are recognised in the year that they are received.

**(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 2018

2 Summary of Significant Accounting Policies (cont.)

(f) Financial Assets

Financial assets consist principally of unit trusts. They are allocated to current and non-current assets according to the intended use of the asset.

Listed securities are unit trusts invested across a balanced portfolio consisting mainly of Australian and global equities, fixed interest, infrastructure, property and cash. The fair value of listed securities is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

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 listed securities are recognised in the Income Statement under the Fair Value through Profit and Loss (FVTPL) method under AASB 9. When listed securities are sold, there will be no impact to the Income Statement due to the changes to fair value having already been accounted for as FVTPL.

(g) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as listed 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

Equipment is stated at historical cost less depreciation. 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	
	2018	2017
Equipment	5 years	5 years
Boat	3 years	3 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 2018

2 Summary of Significant Accounting Policies (cont.)

(k) Employee Benefits

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual 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.

(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 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. Long service leave is paid out on resignation, termination, and redundancy after 5 years of service and is available to be taken after 5 years of service with the agreement of both the employee and the company.

The company adopted the Department of Treasury and Finance's 2008 Long Service Leave Model to calculate the provision for Long Service Leave. This updated model replaced the Department of Treasury and Finance 2004 Model that was used previously. The updated model improves the accuracy of the present value calculation and uses four years of historical data to calculate the probability factors applied. Because the calculation of long service involves significant assumptions and estimates it is considered a critical accounting judgement.

(iii) 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.

(iv) 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.

(v) Annual Leave liability

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.

(vi) Accrued salaries

The 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.

(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 company forms part of the tax consolidated group of the University. The University reports its GST liabilities on a single Business Activity Statement (BAS) on behalf of the tax consolidated group. This grouping also removes any obligation for payment of GST on transactions between the company and the tax consolidated group of the University. 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.

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies (cont.)

(p) Rounding of Amounts

The company is of a kind referred to ASIC Class Order 2016/191, issued by the Australian Securities and Investments Commission (ASIC), 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 15 Revenue from Contracts with Customers**

**Applicable date: 1 January 2018 (Deferred to 1 January 2019 as per AASB 2016-7)**

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contract. 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. Management has assessed the overall impact will not be material to the entity.

**AASB 16 Leases**

**Applicable date: 1 January 2019**

AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases.

The accounting for lessors will not significantly change.

**Impact on entity financial statements**

The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.

The AASB Board released an action alert on 5 September 2018 proposing a temporary option for not-for-profit a temporary option for not-for-profit lessees to not initially fair value a right-of-use asset arising from leases that have significantly below-market terms when AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases become effective from 1 January 2019. The optional relief is expected to remain in place until further guidance has been developed. Entities choosing the temporary relief would value the right-of-use assets at the present value of the payments required. Management has assessed the overall impact will not be material to the entity.

**AASB 1058 Income of Not-for-Profit Entities**

**Applicable date: 1 January 2019**

AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.

The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective. Rather than accounting for all contribution transactions under AASB 1004 Contributions, not-for-profits will now need to determine whether a transaction is a genuine donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15 Revenue from Contracts with Customers).

AASB 1058 also introduces new requirements for income recognition in several other types of transactions which don't fall within the scope of AASB 15, including:

- below-market leases
- obligations to acquire or construct a specific asset for an entity's own use, and
- other transactions such as volunteer services, donated inventories, endowments and bequests.

**Impact on entity financial statements**

The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement. Management has assessed the overall impact will not be material to the entity.



Notes to the Financial Statements for the Year Ended 31 December 2018

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 2018 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 2016-5 Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions*
- *AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- *AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments*
- *AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*
- *AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*
- *AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement*

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**

The company did not early adopt any Australian Accounting Standards or Interpretations.

Notes to the Financial Statements for the Year Ended 31 December 2018

Note 3: Income and Expenditure from Continuing Operations

3.1 Revenue from continuing operations

	2018	2017*
	\$	\$
<b>Revenue from operating activities</b>		
Fees and charges	2,485,914	3,018,909
Other operating receipts	1,099,626	305,802
	<u>3,585,540</u>	<u>3,324,711</u>
<b>Revenue from non-operating activities</b>		
Unrealised gain on financial assets at fair value through profit and loss	-	311,141
Interest	28,162	32,889
Dividend	311,078	226,725
Total investment revenue	<u>339,240</u>	<u>570,755</u>
<b>Total revenue from continuing operations</b>	<u>3,924,780</u>	<u>3,895,466</u>
<b>Other income</b>		
Gain on sale of plant and equipment	60,455	-
	<u>60,455</u>	<u>-</u>
<b>Total income from continuing operations</b>	<u>3,985,235</u>	<u>3,895,466</u>

3.2 Expenses

(a) Employee Benefits

Salaries	1,732,788	1,582,567
Superannuation	228,578	212,724
Payroll tax	100,696	98,989
Annual leave	87,014	110,173
Long service leave	31,591	31,865
<b>Total employee benefits</b>	<u>2,180,667</u>	<u>2,036,317</u>

Other employee related costs

Work cover	18,619	18,304
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**Total employee expenses**

2,199,285      2,054,621

(b) Depreciation of Plant and Equipment

Boat and equipment	13,147	36,995
<b>Total depreciation expense</b>	<u>13,147</u>	<u>36,995</u>

(c) Repairs and Maintenance

Repairs and maintenance	20,739	3,375
<b>Total Repairs and maintenance expense</b>	<u>20,739</u>	<u>3,375</u>

(d) Other Expenditure

Sporting facilities for students (HALC)	120,218	130,671
Professional fees	232,302	391,038
Travel	86,709	121,994
Marketing and promotion	151,475	162,147
Student functions and catering	314,915	282,643
Scholarships	134,093	101,362
Unrealised loss on financial assets at fair value through profit and loss	303,974	-
Consumables	48,870	42,358
Non-capitalised equipment	146,312	81,215
Other expenditure	168,720	158,561
<b>Total of other expenditure</b>	<u>1,707,588</u>	<u>1,471,989</u>

(e) Audit Fee

Victorian Auditor-General's Office	10,700	13,620
<b>Total audit fee</b>	<u>10,700</u>	<u>13,620</u>

\*2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
 ABN 35 117 060 232

Notes to the Financial Statements for the Year Ended 31 December 2018

Note 4: Cash and Cash Equivalents

	2018	2017
	\$	\$
Intercompany cash	2,037,645	1,972,919
<b>Total cash and cash equivalents</b>	<u>2,037,645</u>	<u>1,972,919</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

	2018	2017
	\$	\$
Accrued income	41,134	95,877
Prepayments	6,100	4,044
<b>Total other current assets</b>	<u>47,234</u>	<u>99,921</u>

Note 6: Plant and Equipment

	2018	2017
	\$	\$
Equipment - at fair value	46,079	139,203
Less accumulated depreciation	(15,358)	(92,681)
	<u>30,720</u>	<u>46,522</u>
<b>Total Plant and Equipment</b>	<u>30,720</u>	<u>46,522</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 financial year:

	Equipment
	\$
<b>Year ended 31 December 2018</b>	
Opening net book amount	46,522
Disposals	(11,504)
Additions	8,850
Depreciation	(13,147)
Closing net book amount	<u>30,720</u>

At 1 January 2018

At fair value	139,203
Accumulated depreciation and impairment	(92,681)
Net book amount	<u>46,522</u>

At 31 December 2018

At fair value	46,079
Accumulated depreciation	(15,358)
Net book amount	<u>30,720</u>

**Year ended 31 December 2017**

	Equipment
	\$
Opening net book amount	52,097
Additions	-
Disposals	31,420
Depreciation	(36,995)
Closing net book amount	<u>46,522</u>

At 1 January 2017

At fair value	107,783
Accumulated depreciation and impairment	(55,686)
Net book amount	<u>52,097</u>

At 31 December 2017

At fair value	139,203
Accumulated depreciation	(92,681)
Net book amount	<u>46,522</u>

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD  
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Notes to the Financial Statements for the Year Ended 31 December 2018

Note 7: Employee Benefits	2018	2017
	\$	\$
<b>Current</b>		
Annual leave	92,732	89,774
Long service leave	-	12,488
<b>Total Current</b>	<u>92,732</u>	<u>102,262</u>
<b>Non-Current</b>		
Long service leave	56,914	51,624
<b>Total Non-Current</b>	<u>56,914</u>	<u>51,624</u>
<b>Aggregate carrying amount</b>		
Current	92,732	102,262
Non-current	56,914	51,624
<b>Total Employee Benefits</b>	<u>149,646</u>	<u>153,886</u>

Current Provisions expected to be settled within 12 months

Annual leave	75,564	80,447
Long service leave	-	5,929
	<u>75,564</u>	<u>86,377</u>

Current Provisions expected to be settled after 12 months

Annual leave	17,168	9,327
Long service leave	-	6,559
	<u>17,168</u>	<u>15,886</u>

The following assumptions were adopted in measuring the present value of long service leave entitlements:

Weighted average increase in employee costs	2.00%	3.63%
Weighted average discount rates	2.33%	2.68%

Note 8: Other Current Liabilities	2018	2017
	\$	\$
Sundry creditors	10,700	21,927
Accrued salaries	43,372	41,185
	<u>54,072</u>	<u>63,112</u>

Note 9: Retained Earnings	2018	2017*
	\$	\$
Retained earnings at 1 January	8,486,991	8,172,125
Transfer from revaluation reserve to retain earnings	-	311,141
Net result for the year	33,774	3,725
<b>Retained earnings at 31 December</b>	<u>8,520,765</u>	<u>8,486,991</u>

\*2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

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

**Notes to the Financial Statements for the Year Ended 31 December 2018**

**Note 10: Reserves**

The company's investments are held in managed funds through Mercer Investments Australia Limited. Prior to 2018, these investments were classified as available for sale assets and measured on a fair value basis through other comprehensive income. AASB 9 is applicable from 1 January 2018. Unrealised gains and losses arising from changes in the fair value of these investments are now recognised in the Income Statement under the fair value through profit and loss method.

2017 comparatives have been restated to reflect the impact of the full retrospective application of AASB 9.

**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:

Ms Jane Ward (Executive Chair)

Ms Sarah Graham

Ms Sharon Rice

Dr Andrew J Smith

Professor Glen Bates

Mr Mark Trapak (PAVE student) - Term ended 26/02/2018

Ms Elisabeth Jane Harris (PAVE student) - Period from 26/09/2018 to 31/12/2018

Mr Qasim Rehan (Undergraduate student) - Term commenced 01/01/2018

Mr Abdul Rehman Khan (Postgraduate student) - Period from 02/01/2018 to 03/08/2018 and reinstated from 01/01/2019

Mr Mohamed Ifradh Mubarak Imthiyas (International student) - Term commenced 01/01/2018

Income paid or payable or otherwise made available to Directors by the company and related parties in connection with the management of the company are outlined below:

**Income bands:**

	Total Remuneration	
	2018	2017
	Number	
Nil to \$9,999	5	4
\$210,000 to \$219,999	-	1
\$250,000 to \$259,999	1	-
\$290,000 - \$299,000	1	-
\$300,000 to \$309,999	-	1
\$360,000 to \$369,999	1	1
\$460,000 to \$469,999	-	1
\$480,000 to \$489,999	1	-
\$490,000 to \$499,999	1	1
	<u>10</u>	<u>9</u>
Total Annualised Employee Equivalent (AEE)	5.0	5.0



Notes to the Financial Statements for the Year Ended 31 December 2018

Note 13: Related Party Disclosures (contd.)

(b) Minister

The responsible Minister, Minister for Training and Skills, during the year ended 31 December 2018 was:  
 Hon. Gayle Tierney MLC, Minister for Training and Skills.

Remuneration of the responsible Minister is disclosed in the financial report of the Department of Parliamentary Services.  
 Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

(c) Executive officers' remuneration

Total remuneration of all executive officers received or receivable in connection to the position as an executive officer is outlined below:

Income bands:

	Total Remuneration	
	2018	2017
	Number	
\$460,000 to \$469,999	-	1
\$480,000 to \$489,999	1	-
	<u>1</u>	<u>1</u>
Total Annualised Employee Equivalent (AEE)	1.0	1.0

Executive officers' remuneration is also disclosed in the disclosure in key management personnel.

(d) Key management personnel

The Directors of the company are considered to be key management personnel.

	Total Remuneration	
	2018	2017
	\$	\$
Short-term employee benefits	1,622,854	1,588,893
Post-employment benefits	235,545	229,665
Long-term benefits	33,850	32,569
Termination benefits	-	-
Total remuneration	<u>1,892,249</u>	<u>1,851,127</u>

The above disclosure includes the total remuneration received by each responsible persons for the year ended 2018.

No allocation has been made to apportion the responsible persons remuneration for their contribution as a director of the company. The payment of the remuneration is made by the parent company Swinburne University of Technology.

(e) 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 (2016: nil).

(f) 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:

	2018	2017
	\$	\$
Income received from Swinburne University of Technology	16,674	-
Expenditure paid to Swinburne University of Technology	30,990	42,071

(g) Ultimate parent entity

The ultimate parent entity is Swinburne University of Technology.

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

**Notes to the Financial Statements for the Year Ended 31 December 2018**

**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:

	2018	2017
	\$	\$
Intercompany cash	2,037,645	1,972,919
Cash at the end of the financial year	<u>2,037,645</u>	<u>1,972,919</u>

The company has no credit stand-by arrangements or loan facilities at 31 December 2018 (2017: nil).

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

	2018	2017
	\$	\$
<b>Net result for the year</b>	33,774	314,866
<b>Add/(less) Non-Cash Flows in Net Operating Result</b>		
Depreciation	13,147	36,995
Unrealised (gain)/loss on financial assets at fair value through profit and loss	303,974	(311,141)
Gain on sale of plant and equipment	(60,455)	
<b>Changes in Assets and Liabilities</b>		
Decrease/(increase) in other current assets	52,686	(60,692)
(Decrease)/increase in other current liabilities	(9,040)	(68,115)
(Decrease)/increase in employee benefits	(4,239)	(2,120)
<b>Net Cash Flows from Operating Activities</b>	<u>329,848</u>	<u>(90,207)</u>

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

There are no contingent assets or contingent liabilities as at 31 December 2018 (2017: nil).

**Note 17: Commitments**

There are no capital, operating or other outsourcing commitments as at 31 December 2018 (2017: nil).

**Note 18: Financial Assets**

	2018	2017
	\$	\$
Balance at 1 January	6,584,627	6,113,729
Distribution reinvestments	328,229	159,757
Unrealised gain/(loss) on financial assets at fair value through profit and loss	(303,974)	311,141
<b>Balance at 31 December</b>	<u>6,608,884</u>	<u>6,584,627</u>

**Listed securities**

Units in Unit Trust	6,608,884	6,584,627
	<u>6,608,884</u>	<u>6,584,627</u>

**Note 19: Superannuation Funds**

Swinburne Student Amenities Association Ltd employees may choose a compliant superannuation fund into which the employee's contributions are paid by the company. If an employee has not chosen their own superannuation fund, the contributions will be made by the company into the UniSuper fund under the Workchoice legislation.

Employee contributions were 17% in 2018 (2017: 15%). In 2018 contributions made were \$228,578 (2017: \$212,724).

No employee contributions were outstanding as at 31 December 2018 (2017: 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 2018

Note 23: Financial Risk Management Objectives and Policies

The company's activities expose it to certain market risks. Financial 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 invoice 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.
Listed Financial Assets	18	Shares in corporations are carried at fair value. Dividends are recognised as income when received and changes in fair value are recognised in the Income Statement under the Fair Value through Profit and Loss (FVTPL) method.	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 relates primarily to short to medium term investments 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 because of long term investments held within the managed portfolio which is further diversified by the spread of equity holdings.

The company holds investments which is managed primarily by benchmarking against S&P/ASX 300 Accumulation Index, MSCI World (ex Australia) Accumulation Index in AUD, and diversifying the portfolio across different asset classes including Australian Property and Infrastructure. The company also holds a portfolio of trust funds which is invested in Australian equities and benchmarked against the S&P/ASX 100 Price Index.

(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.



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 Notes to the Financial Statements for the Year Ended 31 December 2018

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

Maturity analysis of financial liabilities

2018 Other Current Liabilities	Carrying Amount \$	Nominal Amount \$
Sundry creditors	10,700	10,700
Accrued salaries	43,372	43,372
<b>Total</b>	<b>54,072</b>	<b>54,072</b>

2017 Other Current Liabilities	Carrying Amount \$	Nominal Amount \$
Sundry creditors	21,927	21,927
Accrued salaries	41,185	41,185
<b>Total</b>	<b>63,112</b>	<b>63,112</b>

2018 Other Current Liabilities	Maturity Dates			Total \$
	less than 30 days \$	30 days \$	30-60 days \$	
Sundry creditors	-	10,700	-	10,700
Accrued salaries	43,372	-	-	43,372
<b>Total</b>	<b>43,372</b>	<b>10,700</b>	<b>-</b>	<b>54,072</b>

2017 Other Current Liabilities	Maturity Dates			Total \$
	less than 30 days \$	30 days \$	30-60 days \$	
Sundry creditors	-	21,927	-	21,927
Accrued salaries	41,185	-	-	41,185
<b>Total</b>	<b>41,185</b>	<b>21,927</b>	<b>-</b>	<b>63,112</b>

(e) Summarised sensitivity analysis (2018)

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%		10%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Listed financial assets	6,608,884	(660,888)	(660,888)	660,888	660,888
<b>Total increase/(decrease)</b>		<b>(660,888)</b>	<b>(660,888)</b>	<b>660,888</b>	<b>660,888</b>

	Carrying amount \$	Interest rate risk			
		-2%		2%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Cash and cash equivalents	2,037,645	(40,753)	(40,753)	40,753	40,753
<b>Total increase/(decrease)</b>		<b>(40,753)</b>	<b>(40,753)</b>	<b>40,753</b>	<b>40,753</b>

Summarised sensitivity analysis (2017)

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%		10%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Listed financial assets	6,584,627	(658,463)	(658,463)	658,463	658,463
<b>Total increase/(decrease)</b>		<b>(658,463)</b>	<b>(658,463)</b>	<b>658,463</b>	<b>658,463</b>

	Carrying amount \$	Interest rate risk			
		-2%		2%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Cash and cash equivalents	1,972,919	(39,458)	(39,458)	39,458	39,458
<b>Total increase/(decrease)</b>		<b>(39,458)</b>	<b>(39,458)</b>	<b>39,458</b>	<b>39,458</b>

Notes to the Financial Statements for the Year Ended 31 December 2018

Note 24: Fair Value Measurements

a) Fair Value Measurements

The company measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition and is estimated for measurement and disclosure purposes:

- Listed financial assets

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		
	2018 \$	2017 \$	2018 \$	2017 \$	
<b>Financial Assets</b>					
Cash and cash equivalents	4	2,037,645	1,972,919	2,037,645	1,972,919
Receivables	5	47,233	99,921	47,233	99,921
Listed financial assets	18	6,608,884	6,584,627	6,608,884	6,584,627
<b>Total Financial Assets</b>		<b>8,693,763</b>	<b>8,657,467</b>	<b>8,693,763</b>	<b>8,657,467</b>
<b>Financial Liabilities</b>					
Other current liabilities	8	54,072	63,112	54,072	63,112
<b>Total Financial Liabilities</b>		<b>54,072</b>	<b>63,112</b>	<b>54,072</b>	<b>63,112</b>

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)

The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Recognising fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2018.

Recurring Fair Value Measurements

Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2018</b>				
<b>Financial Assets</b>				
Listed financial assets	18	6,608,884	-	6,608,884
		6,608,884	-	6,608,884
<b>31 December 2017</b>				
<b>Financial Assets</b>				
Listed financial assets	18	6,584,627	-	6,584,627
		6,584,627	-	6,584,627



Notes to the Financial Statements for the Year Ended 31 December 2018

Note 24: Fair Value Measurements (cont.)

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, trading and listed securities) is based on quoted market prices for identical assets or liabilities at the Statement of financial position 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.

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