

# Annual Report









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## Ten Year **Vision Statement**

Our purpose is to enrich each UTS student's learning experience. As a key strategic partner of the University, ActivateUTS is first and foremost a student-centric organisation that also caters for the whole UTS community, with a particular focus on the provision of cocurricular programs that complement and enhance graduate attributes.

**'ActivateUTS creates a vibrant, exciting culture that is dedicated to enhancing the UTS community experience.'**



# Chairman's Report



ActivateUTS is a key strategic partner of the university and while catering for the whole UTS community, is primarily a student-centered organisation with a particular focus on enhancing the student experience through the provision of programs that complement the learning, development and social outcomes of the University. ActivateUTS takes a broad view of the community it serves; including past, present and future students, university academic and professional staff, ActivateUTS workforce (staff and volunteers, board members and club administrators), members and patrons of UTS Haberfield Rowing Club, as well as the broader public and precinct community.

In 2017 ActivateUTS delivered upon its objectives of:

- Valuing accessibility, sustainability and diversity, providing safe and inclusive environments that maximised the experience of our community.
- Being an organisation that was innovative and dynamic, that strived for best practice, with a firm commitment to continuous improvement.
- Developing key graduate attributes, ultimately enhancing the employability of UTS graduates.
- Providing products and services that were relevant, valuable, sustainable and enriching to meet the needs of the ever-changing UTS community.
- Providing visible, adaptive and contemporary places that maximised their usage and functionality.
- Providing a rewarding and inclusive workplace that valued and enriched our workforce.

2017 has seen another strong year of strategic focus on strengthening student engagement, social and sporting activities, building on the strong infrastructure and funding environment established in recent years. This included a major refresh to services offered. Challenges were faced in adapting student clubs and other activities to the new annual cycle of student life arising from the UTS balanced teaching periods implementation. It was rewarding to watch the positive way our student leaders engaged with these challenges and the success they achieved in overall maintaining or improving student engagement.

During the year, ActivateUTS looked to the future in considering further ways to improve its strategic outcomes and thereby contributions to help achieve the UTS vision. Three key areas were the development of a digital strategy to improve engagement with students and provide better support to club and society executives; development of a framework for understanding and then strengthening how ActivateUTS programs can support and enable UTS Graduate Attributes; and stronger engagement with UTS on its campus retail strategy and how ActivateUTS can strengthen its contribution. The latter included strong engagement with the development of the student spaces in UTS Central.

On behalf of the Board I would like to acknowledge the CEO, Liz Morgan-Brett, her executive team and all the dedicated and hardworking ActivateUTS staff for their commitment to the mission of ActivateUTS and achievement of its excellent outcomes during 2017. The Board would also like to acknowledge all the student leadership teams and members of the ActivateUTS clubs and societies for the strong contributions that they make; they are a truly outstanding and high achieving group. Finally, I want to acknowledge the high levels of commitment and excellent advice provided by the ActivateUTS Board members, who it has been an absolute delight to work with during my first year as Chair of the Board. In particular, all our student members show a strong commitment to effective governance and in driving ActivateUTS goals.

In closing, the Board thanks UTS for its ongoing strong support and effective engagement with ActivateUTS. In particular, the high levels of advocacy from the Vice-Chancellor, Professor Attila Brungs and the unwavering commitment and engagement from our UTS connection point, Professor Shirley Alexander are greatly appreciated. All the UTS senior executive and staff make regular contributions to ActivateUTS activities and strategies, and it would not be possible to achieve the high outcomes that it does without this highly positive and engaged environment.

I commend this Annual Report to the University community.



**Professor Peter Booth**  
Chairman, ActivateUTS Board

# President's Report



2017 was a jam-packed year for ActivateUTS. Throughout the year, the organisation continued to enhance the lives of students on campus and invest in their professional and personal growth. This was through the provision of essential programs and services to the UTS community, and continued investment in infrastructure and human resources.



ActivateUTS' student directors worked towards greater engagement of students and the development of UTS' student leaders, while further developing their own skills and capabilities. The team worked well to improve upon the student experience and to provide a strong voice for the UTS community.

## Engaging our Base

ActivateUTS has seen substantial growth in student engagement. At the forefront of this were initiatives commenced by student directors, which were aimed at improving the organisation's interactions with a broader group of students. In 2017, student directors focused on engaging international students, students from culturally diverse backgrounds, students who live on campus, and those who study degrees in science, technology, engineering and mathematics (STEM).

## Developing our Leaders

2017 saw the continuation of the successful Club and Society Development Program, with a focus on the development of club executives. Through monthly workshops, an executive camp, and continued support from both the teams in ActivateSocial and ActivateSport, the organisation saw continued growth in the calibre, initiative and capability of students who have volunteered to lead student clubs and societies.

ActivateUTS has also worked to further integrate its programs with the development of key UTS Graduate Attributes. Alongside Professor Simon D'Arcy and his team, ActivateUTS was able to gain some insight as to how its current programs align with and enhance these attributes, as well as enabling it to further tailor its offerings to better equip students in their life after university.

## Engaging our Student Directors

Student board directors provide much to the organisation through their time, dedication and service. To assist them with their duties as board directors, ActivateUTS has continued standing initiatives such as the Board Mentoring Program and the attendance of student directors to governance courses provided by the Australian Institute of Company Directors.

Adding to this, ActivateUTS Board endeavoured to further develop these student directors by inviting them to incorporate their personal passions and interests in the development of strategy. Through this, the organisation was able to better involve international students, students from UTS Housing, students from multicultural backgrounds and students studying STEM subjects throughout the year. Student directors were also encouraged to take carriage of events, including the organisation of student workshops and meetings, which sought to develop their leadership skills and capabilities.

## Conclusion

ActivateUTS had a successful and fruitful 2017. As an organisation, it continued to improve upon its ability to deliver student services and enhance student life. Having served on ActivateUTS Board for four of the past five years, I am proud of what I have seen it achieve and I look forward to what it will undertake in the future.

A special thanks must go out to the team of student directors who I had the privilege to serve with: Linus Faustin, Jessica Massih, Lydia Watson-Moore, Emily Hazell, Thomas Miletich and Hannah Monaghan, as well as directors Paul Vavich and Luke Chapman who resigned mid-term. Their support and hard work has helped deliver a strong year for ActivateUTS, and has enabled our organisation to better deliver upon its aims.

**Rayan Calimlim**

President, 2017

# CEO Report



In 2017 ActivateUTS delivered on its vision of creating a vibrant and exciting culture that was dedicated to enhancing the UTS community experience. ActivateUTS events, activities and programs were engaging, interactive and enriching as well as safe and inclusive for all. In delivering these co-curricular programs, ActivateUTS provided students with the opportunity to enhance key graduate attributes and effectively supported the University in meeting its objective of inspiring graduate success.

## 2017 Review of Key Deliverables

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- 1.** ActivateUTS reviewed and refreshed the range of student services provided, ensuring they were relevant to the ever changing student population. In doing so ActivateUTS engaged 23,865 students as members of affiliated clubs and societies. ActivateUTS also created 49,808 touch-points across events and activities (4.71% uplift on 2016).

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  - 2.** Commensurate with the long term funding agreement, ActivateUTS received \$5,166,291 from UTS in 2017 and contributed a further \$1,186,000 towards the delivery of events and activities that fulfil the SSAF Objectives.

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  - 3.** ActivateUTS set a 2017 budget surplus of \$300,000, to ensure the ongoing financial viability and sustainability of the organisation. ActivateUTS achieved a year end surplus of \$379,041.

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  - 4.** ActivateUTS invested an additional \$200,000 towards the provision of training and developing its people, ensuring the organisation retains the best and brightest employees who are committed to ActivateUTS' vision and value of excellence.

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  - 5.** ActivateUTS continued to collaborate closely with the University and be represented on relevant Project Control Groups (PCGs) and working groups, to assist in ensuring appropriate and functional spaces are secured as a component of the Campus Masterplan.

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  - 6.** ActivateUTS continued to build upon its governance and risk management processes and structures. The Risk and Audit Committee delivered and successfully socialised two new policies in 2017; Social Media and Drug & Alcohol. ActivateUTS also engaged Crowe Horwath (CH) to review, for the second time in 5 years, the organisations approach to Workplace Health and Safety. Pleasingly CH returned a positive review and all recommendations for improvements were implemented prior to the conclusion of 2017.
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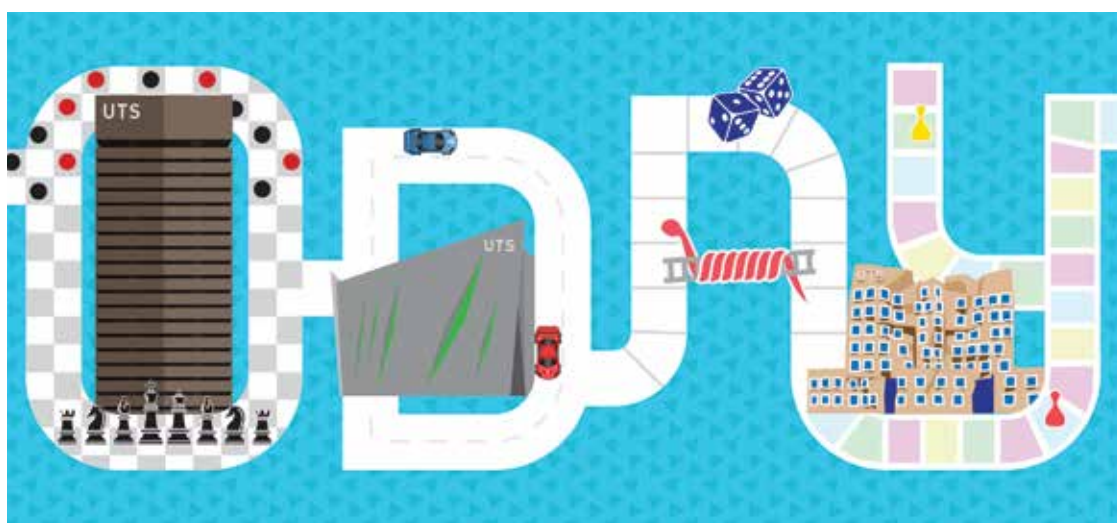
I would also like to thank every member of the ActivateUTS team for their ongoing commitment to our organisation. 2017 was an incredibly strong year for ActivateUTS and certainly the organisation is on track to achieving its 10 Year vision (2025).

I commend this Annual Report to the University community.

**Elizabeth Morgan-Brett EMBA**

Chief Executive Officer, ActivateUTS

# Marketing, Digital & Communications



Throughout 2017, the Communications and Marketing Team continued to enhance the student and staff community by promoting social, sport, retail and commercial operations, and engaging staff, students and the wider UTS community. With the engagement of a Digital Strategy Manager and Digital Producer, it was a year of new learnings, collaborations and digital integration. In addition to providing communications and marketing support to the organisation, outlined below are some of the important highlights for the team throughout 2017.



Facebook continued to be the most successful social platform for promoting our activities and events. Over the past twelve months, the ActivateUTS Facebook page has reached 13,132 likes, which was an increase of 1,432 from the previous year. Although Facebook was our most successful method of promoting events, the team continued to utilise additional marketing channels including 2SER. In 2017, radio advertisements promoted ActivateFit on Harris, Sunday Sessions at the UTS Haberfield Club and Christmas Function bookings for the Aerial UTS Function Centre.

To promote our events, services, clubs, societies and facilities, the team also collaborated with the MCU to promote through Insider, which was a useful promotional tool for reaching thousands of UTS students. Additionally, our relationship with MCU fostered a new collaborative relationship with the Office of the e-Safety Commissioner and resulted in the Commission filming vox pops on campus, which will be used to promote online safety to young people. It's expected this relationship will continue throughout 2018, with opportunities to collaborate at other ActivateUTS events.



In 2017, the C&M Team generated \$89,950 in revenue for both O'Day and Clubs Day, which comprised of 38 external exhibitors and was up by \$9,950 from the previous year. An additional \$2,600 in revenue was generated for activations and included engagement with an on-campus BBQ and roaming sampling on the concourse of building 1.

As in previous years, the student diary was a success in 2017, with 12,500 copies distributed to students on O'Day and during the first two weeks of the Autumn session. The diary promotes ActivateUTS retail services, our sporting clubs and societies and the many ways in which we enhance the UTS student and staff experience.

The team continued to promote ActivateUTS Commercial Operations and our most successful campaign was the new UTS hoodies. The campaign included a successful Facebook video post, resulting in 23,000 views, 8 shares and 147 comments and a paid advertisement in the graduation ceremonies booklet. In collaboration with Commercial Operations team, marketing also developed:

- 2017 Aerial UTS functions, catering and clubs packages
- Graduation memorabilia promotions
- The Loft@UTS video and menu
- Back to Uni campaign
- Bring your own keep cups campaign



The UTS Haberfield Club received marketing support to promote weekly activities and special events such as Jeans for Genes Day, Melbourne Cup, Christmas and New Year's Eve. 2017 also saw the inclusion of sponsored wine evenings by Hills Cider, Paxton Wines, Printhe Wines and T'Gallant Wines with both print and digital promotional activities. Facebook continued to be a successful social platform to promote the Club with likes increasing by 500 to 2,639.

We also created the UTS Sparks logo and all related marketing collateral for UTS Sports, and the new Elite Athlete Program mini booklet, which highlighted the UTS Northern Suburbs Athletics Club. ActivateFit was supported with regular monthly campaigns such as Refer a Friend, the 3 Day Sale, the end of year sale and creation of a new UTS Housing campaign.



## Digital Strategy

### Customer Proto Personas



#### Meet Daniel

**Age:** 18  
**Status:** single  
**Study:** Bachelor of Business  
**Living:** with parents in Westmead  
**Social life:** moderate/heavy



#### Meet Maggie

**Age:** 41  
**Status:** married, 8 yo daughter  
**Work:** part time Admin manager  
**Living:** recently bought in Gordon  
**Social life:** low



#### Meet Ariana

**Age:** 22  
**Status:** dating  
**Work:** Retail assistant at Myers  
**Living:** with boyfriend in Eastwood  
**Social life:** heavy

Early July 2017 saw the commencement of the digital strategy program of work. The digital strategy also included the procurement of platforms and technology that would eventually deliver the strategy. To align with our 10 year vision and enhance the UTS community experience, a collaborative vision and unified approach to our customer's journey was the foundation on which the transformation would be delivered.

A Digital Strategy Working Group (DWSG) is held monthly and is made up of ActivateUTS student and business board members and representatives of UTS. They provide insights and support for digital initiatives and recommendations.

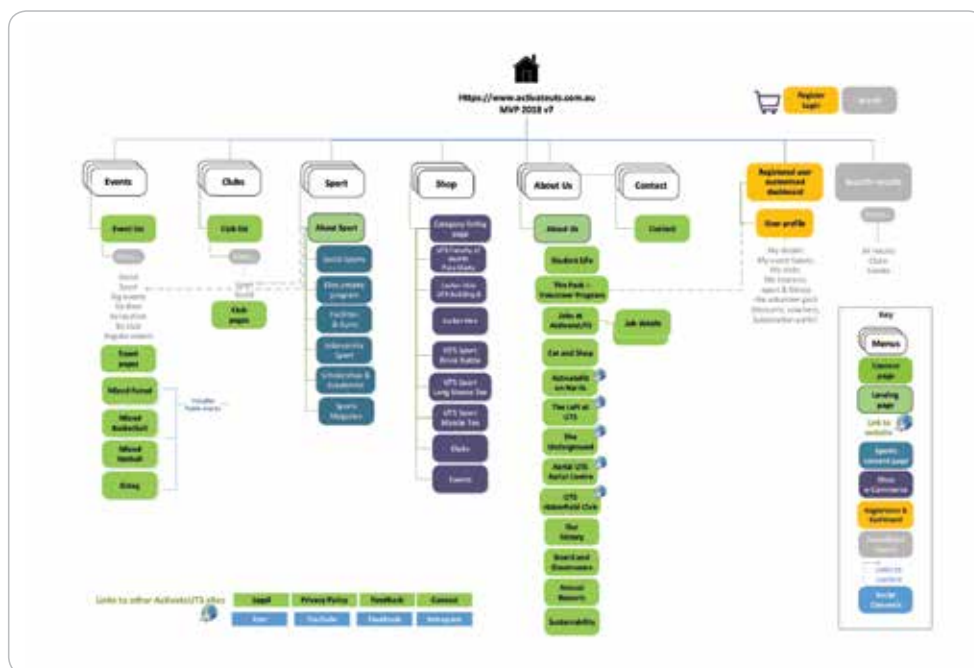
Before starting the project the agreed approach was to stabilise the bespoke ActivateUTS websites and identify the siloed capture of customer data. We agreed on five key considerations:

- Technical capability, platform selection and partners
- Best practices and best of breed
- Customer centric design that meets AA accessibility guidelines
- Completing customer experience (CX) research
- A phased implementation for across the business units

The first phase of work was discovery and define which commenced late July and finished in December 2017. To kick-start this phase, two customised digital workshops designed to refocus on our customers; define relationships and how we measure success, were held with the marketing team and senior managers. As a result of these workshops and many interviews with students, staff and members of the public, a very clear and organic transformation vision was founded.

Discovery and define deliverables included:

- Site audits (6 primary public and a few smaller customised sites)
- Review of infrastructure and security
- Resourcing needs (project and BAU)
- Business requirements and gap analysis



As part of a larger digital transformation, ActivateUTS would build a solid foundation that enables the UTS community to seamlessly engage with clubs and events from their mobile devices.

- Customer research and the creation of proto personas
- Content audit and strategy review
- Marketing and communications and brand alignment
- Change assessment and strategy
- Risk assessment and register
- Delivery approach and minimum viable product (MVP).

An MVP approach is best used when there are a number of key stakeholder groups, limited budget and a hard timeline to meet. The project product owner is responsible for delivering the product vision, managing scope creep, communication with key business owners and the prioritisation of functionality.

Following completion of the discovery and define phase we moved into initiate and a rigorous procurement process for our development partner and the content management solution.

The successful partners are:

Mobile Experience Pty Ltd:  
Wireframes, content flow, customer  
experience (CX) design, interface  
architecture (IA) and proto  
personas

Squiz Australia Pty Ltd: Squiz Matrix CMS, implementation of activateuts.com.au MVP (minimal viable product), support, maintenance, upgrades and shared hosting for the primary website and 3 additional websites.

The key objective for MVP:

As part of a larger digital transformation, ActivateUTS would build a solid foundation that enables the UTS community to seamlessly engage with clubs and events from their mobile devices

Project development commenced in December 2017.



# ActivateSport 2017

ActivateSport's vision is to be the leaders of University Sport in Australia; where sport includes elite, competitive, social, recreation and health, and where sport seamlessly integrates with teaching, learning, research and external engagement. We have achieved our vision when UTS is synonymous with excellence in the delivery of sporting and wellbeing programs, as easily as the University is recognised for its sports management and sports science curricula.



## Summary

ActivateSport, comprising of UTS Sport, Team UTS and the UTS Elite Athlete Program provided a variety of initiatives, activities and events on offer for students, staff and the general public. This included social sporting opportunities, the UTS sports clubs network, and intervarsity sport - which ultimately culminated in winning the Australian University Games for the first time in history.

## UTS Elite Athlete Program

The UTS Elite and Emerging Athlete Program supported 248 athletes in 2017. Of the 248 awarded, 103 were classified as Elite and 145 were classified as Emerging athletes. The UTS EAP Housing Scholarships were also awarded to Annabel McDermott (Athletics) and Olivia Bartram (Rowing). Both Annabel and Olivia received free accommodation in UTS Housing for one year.

Seven athletes were selected to represent UTS and Australia at the World University Games, held in Taipei, Taiwan. These athletes were: Gabriella O'Grady, Athletics; Tiffany Ho, Badminton; Nicholas Jeffree, Diving; Oliver Signorini, Swimming; Kenneth To, Swimming (Hong Kong); Genevieve Longman, Water Polo; and Harry Sanderson, Water Polo.



### 2017 Half Blue Winners

**Gabriella O'Grady** Athletics

**Edward Goddard** Athletics

**Mason Cohen** Athletics

**Tiffany Ho** Badminton

**Nicholas Jeffree** Diving

**Renee Targett** Gridiron

**Amy Parmenter** Netball

**Georgia Marshall** Netball

**Teigan O'Shannassy** Netball

**Toni Anderson** Netball

**Grace Reid** Rowing

**Lara Wainwright** Rowing

**Olivia Bartram** Rowing

**Matthew Curtin** Rowing

**Ben O'Donnell** Rugby 7's

**Daniel Clopatofsky Sanchez** Shooting

**Oliver Signorini** Swimming

**Zachary Attard** Swimming

**Serena Stevens** Taekwondo

**Christopher Elbitar** Touch Football

**Harry Sanderson** Water Polo

**Genevieve Longman** Water Polo

### 2017 Full Blue Award Winners

**Jonathan Aspropotamitis** Football

**Claire O'Brien** Netball

**Daniel Alvaro** Rugby League

**Martin Taupau** Rugby League

**Connor Watson** Rugby League

**Tiana Penitani** Rugby 7's

**Max Brooks** Surf Life Saving

**Ross Milbourne** Elite Athlete  
Travel Award

**Oliver Signorini** Swimming

**Sports Manager of the Year**

**William Richardson** Athletics

**Sports Team of the Year**

**UTS Women's Water Polo team**

**Sports Recognition Award**

**Jayson Chaplin** Kendo

**Service to Sport Award**

**Ann-Marie Miranda**  
UTS Balmain Water Polo Club

**Sports Club of the Year Award**

**UTS Tennis Club**

**Sportswoman of the Year Award**

**Claire O'Brien** Netball

**Sportsman of the Year Award**

**Daniel Alvaro** Rugby League





## Intervarsity Competitions

In 2017 UTS won the double – the Australian University Games, as well as the Australian University Sport Overall Champion University title, making history in the process. In total, Team UTS won ten National University Titles, in the following sports:

- Men's Athletics
- Men's and Women's Futsal
- Men's Kendo
- Women's Netball
- Men's Swimming
- Women's Tennis
- Women's Water Polo
- Men's and Women's Triathlon

**In total, there were 878 students engaged with intervarsity sport across 2017.**

## UTS Sports Clubs

In 2017 ActivateSport managed 34 sports clubs, with several new additions: the UTS Target Rifle Club, UTS Karate and UTS Judo.

Exciting additions to several of our clubs was the strengthening of women's programs. The UTS Sparks Netball Club established the UTS Sparks Academy for young female athletes; Gordon Rugby Football Club created the Gordon UTS Women's 7's Academy and the ties between the UTS Bats AFL Club with the UTS Shamrocks Women's AFL Club became stronger as the club now operates under the one banner.

**The UTS Sports Clubs network had 5413 club members in 2017.**







## ActivateSocialSports

In 2017 the Ross Milbourne Sports Hall was in use by UTS Teaching and Learning for most of the year, and social sports competitions were again reduced greatly from previous years. However, competitions were still run in a number of sports including mixed netball, 3x3 basketball and mixed futsal. Due to the limited availability of the stadium, a touch football competition was also held at Wentworth Park.

Post-graduate students retained their weekly booking for badminton and the U Fit beginner's fitness class was also a success.

Two 3 x 3 basketball gala days and two World Cup Futsal gala days were also held on weekends throughout the year.

827 UTS students were engaged in social sporting competitions in 2017, creating 5100 touch points throughout the year. This included Team UTS competing in the 2017 City to Surf, taking out the overall Team Championship for the third year in a row.

## ActivateFit on Harris

ActivateFit had over 120,000 visits to the club in 2017 with over 3500 1, 3, 6, and 12 month memberships sold.

A new health and wellbeing initiative in conjunction with UTS Housing saw over 750 residents opt for a healthier lifestyle by becoming members of ActivateFit gym in the latter half of the year, with the agreement continuing to 2018 and beyond.

The completion of the ActivateFit reception and spin studio renovation that began in 2016 led to an increase in services available including Virtual and live Les Mills classes.

The renovations, specifically the new and improved reception and retail area also led to a new merchandise line and a corresponding increase in retail sales through a collaboration with UTS Sport, UTS Sports Clubs and the Elite Athlete Program students.



# ActivateSocial 2017

ActivateSocial's vision is to create the most inclusive, safe and engaging campus culture in the Australian higher education sector; one where students choose UTS because it is 'the' university community they aspire to belong to.

We have achieved our vision when we have created a campus that is a deliberate destination, like 'work' and 'home', a physical space where students feel 'anything is possible' and ActivateUTS is there to facilitate that sense of achievement.





## Summary

ActivateSocial continued to evaluate, develop and deliver activities and events that enriched the UTS Community in 2017. ActivateSocial had an increased focus on reviewing and refining current systems and processes to create efficiencies and ensure best practice in all areas of the department. This included risk management, data collection as well as clubs and societies re-affiliation process.

Across the last two years, ActivateSocial has formalised the Clubs and Societies Development Program in an effort to increase the direct benefit to participants and further develop them as strong and positive global citizens. All UTS students have the opportunity to become a club executive and take on this incredibly rewarding role, facilitating activities, events and programs for like-minded students, in safe, friendly and inclusive environments.

O'day 2017 saw the largest group of students in attendance with over 9000 visiting to sign up to clubs, collect their freebies and more importantly gain an understanding of what ActivateUTS has to offer.

Due to the construction of Building 2, Summerfest was held in the Underground, Loft and Turner

Lane. ActivateSocial improved risk management practices in 2017 by engaging a Safety Officer who was responsible for monitoring and assessing hazardous and unsafe situations and developing measures to ensure attendees safety at events. This included the official capacity of Turner Lane for use at Summerfest and Winterfest 2017.

Even though Summerfest was held in the Bars instead of Alumni Green, the event was a sell out with 1,500 tickets sold.

Faculty relationship and collaboration with clubs and societies continued to expand and 2017 was a massive year for growth, in particular with FEIT and related clubs. FEIT supported 28 club activities with \$77,600 in funding in 2017 which engaged over 3,300 participants. The top engaged learning themes included social,

leadership and team building, outreach and networking. FEIT also engaged society leaders in innovation through curriculum redevelopment, redesigning learning spaces and co-designing activities to engage students in developing career skills.

2017 saw clubs and societies reaching out beyond their own campus to enrich the student experience further. Clubs such as Engineering Society, BigIT and ABESoc sought opportunities to network with other students studying similar degrees from other universities by collaborating on events throughout the year.

In 2017, ActivateSocial introduced the Discover Sydney Program to assist those students who feel less engaged with the local cohort and often can feel quite isolated at the start of their study. The program





offers a wide range of activities and events including major sporting events, visits to local attractions, tours and extreme adventures such as skydiving. The majority of activities and events are hosted and organised by clubs and societies. The program was originally aimed at International students, however ActivateSocial has found that local students have also shown a strong interest in attending the outings and activities offered through the Discover Sydney Program. Discover Sydney also runs during the Summer Session, offering those students studying over the third trimester a chance to engage in extra-curricular activities.

International Food and Beer Day was back for a second time in 2017. The event was held twice during the year to showcase the cultural based societies on campus through food, music and beer. 14 societies along with UTS Insearch set up stalls on the Alumni Green and served traditional cultural foods to UTS students. All together approximately 1,800 students attended throughout the day and over 5,000 servings of food were handed out. Cultural performances were a welcome addition to the 2017 events which added an extra element of entertainment for attendees.

Pay It Forward Week was a newly established week-long event run from 21st to 25th August which focussed on the notion of giving back to the community. The week

consisted of 16 different events centred round social justice, including free feel good events, volunteering opportunities, educational speaker sessions and charitable initiatives. Run by ActivateSocial in conjunction with ActivateEat.Drink and 11 ActivateUTS clubs and societies, the event was very successful and engaged over 750 students, raised over \$1,400 for Sydney Children's Hospital Foundation and consisted of over 400 volunteered hours (more than 80 per day).

In 2017, ActivateSocial continued to provide a safe, encouraging and inclusive environment for students and staff. ActivateSocial also continued to align their programs, events and activities to the University's key graduate attributes.





### 2017 Club Membership

**18,203 (2016)**

**18,452 (2017)**

**↑ 1.37% increase**



### 2017 Student Engagement across Events and Activities

**47,566 (2016)**

**49,808 (2017)**

**↑ 4.7% increase**



### 2017 Volunteer of the Year

#### **Muhammad Intisarul Hoque**

Bachelor of Engineering (Electrical),  
Diploma in Professional Engineering Practice

President of The Big Lift (TBL), winner of Club  
of the Year.

Intisarul drove TBL's outreach to students  
at UTS significantly higher in 2017, sharing  
the love of volunteering to almost double  
the number of UTS students compared to  
previous years.



### 2017 Club of the Year

#### **The Big Lift (TBL)**

A non-profit community service project that  
runs each year in July. 80 students. 10 towns.  
9 service projects. 8 days. 2 buses. Special  
Program: Careers Guide.

**107 active members**

# Commercial Operations **2017**

ActivateUTS Commercial's ten year vision is to sustainably deliver an excellent product and a superior customer service experience to our community- be they internal or external, student or staff.

We have achieved our vision when we are renowned for product and customer service excellence and our outlets and commercial activities are financially and environmentally sustainable (individually and collectively).





## Summary 2017

The commercial operations of ActivateUTS had a mixed year of results in 2017. While bars and catering outlets struggle to perform consistently in the unique campus trading environment, the retail business demonstrated consistency and growth, while the Aerial UTS Function centre continued to be the star performer for the organisation.

Overall the total commercial operations sales and other income were 6% higher than budget expectations for the year. While the net profit result was 2.2% higher than budgeted, driven predominantly by the Aerial Functions Business, the net profit margin of 17.9% was 0.9% down on the budget. Overall, a positive result retuning solid revenue to assist funding the student service activities of ActivateUTS.

The front line teams of staff, outlet supervisors and managers in all trading outlets have made a significant contribution to lifting the overall service standards across the organisation, as has been measured by the high scores and constant improvements of the mystery shopper survey results in 2017. Great organisations only operate with good people who have customer service as the highest priority.



In 2017 the ActivateUTS commercial services team continued its commitment to be an employer of choice for the UTS student population and also be the provider of social engagement and spaces for the UTS community to enjoy. Through constant improvements toward better environmental sustainability practices, financial viability, social community activity and supporting student engagement, the ActivateUTS commercial operations are well positioned to best serve the future strategic objectives of the organisation and the greater goals of UTS.

## Activate Retail

The retail operations of ActivateUTS had a strong year of consolidated performance in 2017. This was a wonderful achievement after a number of years of significant change and shift in this market segment plus the UTS masterplan campus and student timetable changes over this time. Significantly, there was greater staffing consistency in the retail stores

overall in 2017 that enabled improved customer services levels across the year and this was further enhanced with a new retail manger appointment in September.

In mystery shopper results, the retail operations scored particularly well, reaching a 93.4% KPI achievement score in the final half of the year. The target for this was 85-90% so an excellent achievement by all the staff in the retail team that positively contributed to better trading results and the customer satisfaction and experience in retail this year.

The combined trading result in retail services in 2017 was an increase in sales of 6.9% over the previous year and a net profit of 6.6% of sales. This was 44% better than the previous year's result and it represents the ongoing growth in the financial viability of the ActivateUTS retail operations after a few years of tough trading conditions and business unit consolidation on campus.





## ActivateEat.Drink

### Catering

The balanced teaching calendar of UTS made viable financial trading very challenging for Towers Café and Bites. With less weeks of the calendar year being profitable, balancing the profitable with non-profitable trading periods whilst maintaining campus service expectations is difficult. Despite this, ActivateUTS catering outlets continued to provide significant and valuable support for UTS initiatives including ride to work day, walk to work day, coffee for a cause and a number of catered lunches for large visiting school groups to UTS in various holiday periods.

In 2017 a refreshment of Towers Café was completed. This included new tables, chairs and soft bench seating, painting the kitchen wall tiles to brighten up the back of house area and a special photographic wall treatment to the predominant main yellow wall. Together with the wooden and black metal furnishings, and existing 'industrial style' pendant lights, the café has been given a warm, humanised, comfortable look that suits its location and role within the Tower building.

This year a concerted effort to improve customer service standards was achieved with mystery shopping KPI results attaining 94.5% scores in the second half of the year. This was against targets of 85-90% for the Catering outlets, an excellent achievement for the whole catering team.

### Bars

The Underground and Loft bars had a softer start to the year and regular weekly bar events were slow to ramp up. Summerfest and Winterfest events were held in safe and well regulated environments

that the Loft and Underground provide and both events were held without incident. Weekly trade was solid throughout the year, indicating a stronger trend towards students using the bars more for smaller group social activity, engagement, hanging out and meeting friends rather than being an entertainment destination for parties.

As the main 'Uni Bar', The Underground Bar serviced the large events and club nights with live music, DJ's and theme nights throughout the year. The Loft Bar on the other hand catered nicely to the cocktail, wine and craft beer lovers especially on Wednesday, Thursday and Friday afternoons and evenings post work or study. With its discrete small bar atmosphere and low key acoustic music offer, the Loft was more often than not busy when there were no planned events or activities.







## Aerial UTS Function Centre

The Aerial UTS Function Centre again performed exceptionally well in 2017. Although sales and net returns were less than 2016, this was expected due to the major refurbishment project for the facility in July that required the venue to be closed for three weeks of trade.

The refurbishment works included new sound proof internal operable walls, room curtains, re-carpeting, painting, new foyer furnishing, new balcony furnishings, complete AV system upgrade, foyer lighting upgrade and more. The venue now has another five year lease of life and in the second half of the year bookings and sales far exceeded budget expectations as a result of the work undertaken and investment made.

Aerial was again short listed in the NSW Meeting Events Australia (MEA) awards highlighting the ongoing high levels of industry service standards being achieved by the business. While very much a team effort this consistency can be attributed to the Functions and Venue Manager Stacey Kirkpatrick, who continues to lead this team with a wonderful customer service focus and commitment to continual improvement.

A new head Chef, Chris Behre, started with the team early in 2017 and immediately made a positive impact to the increased professionalism of the kitchen and refreshed the presentation, quality and consistency of the culinary offer.

The Aerial UTS Function centre continues to be a commercial success story for ActivateUTS.

Not only in terms of generating consistent trading returns to the organisation but also in servicing the UTS campus and community so well. It continues to be popular with internal UTS clients, as well as ActivateUTS student clubs and the external market, including government, corporate, NFP organisations, industry associations and other universities.



# People & Culture 2017

The success of ActivateUTS in 2017 was dependent upon the delivery of higher levels of staff engagement, the appointment of a full time Manager of People and Culture and a focus on building leadership capability, resilience and a strengthening of the team. The key to delivering upon that success was directly related to the appointment of a dedicated HR role with an appetite to partner the business and support the development of a high performance culture focused on continuous improvement and service excellence. These opportunities coupled with the introduction of our Health and Wellness program have supported the team in feeling more connected and indeed better equipped with work and life balance.





## Staff Engagement

The 2017 Staff Engagement Survey was launched in May, with some encouraging results, showing a 10% increase in engagement and 20% increase in participation rates. These results suggest that staff are feeling more positive and connected, and there is a stronger sense of pride and job satisfaction within ActivateUTS.

## People & Culture Manager

The role of the People & Culture Manager was redefined to one that partners the business and delivers a high standard of service, advice and support to managers and staff. There has been a focus on the development of processes and procedures to assist the business in recruitment, selection, induction and retention of its people and ensuring best practice to attract the right people with the right skills to the right jobs.

## Strengthening the Team

To support a high performance culture focused on continuous improvement and service excellence, the annual training and development program for all full time and casual employees was successfully delivered, which included compliance training and professional development. There was also significantly greater investment in leadership development programs and coaching and mentoring for managers and supervisors, as well as the implementation of a new performance review process which focused on achieving organisational goals, continuous improvement, career development and communication.

## Health & Wellness

The newly implemented Health & Wellness program has been well received by staff. ActivateUTS recognises that employees are passionate and dedicated to their roles in supporting the UTS community. The Health & Wellness program includes the support of an Employee Assistance Program, free flu vaccination program, corporate massage program, free gym membership and opportunities to engage with the UTS community sporting activities and volunteer opportunities.

## Building Resilience and Sustainability

ActivateUTS staff have achieved successful business outcomes through the achievement of a culture that demonstrates the organisation's core objectives of providing a safe, rewarding and inclusive workplace that both values and enriches the workforce. The key to success has been identified as achieving best practice through continual improvement which directly relates to the productivity of the entire team and their enthusiasm and co-operation for the organisation's objectives and strategies.

The capability of the ActivateUTS team will be identified and developed through workforce planning, leadership development and capability development to complement the broader organisational goals and the personal growth of team members. ActivateUTS will encourage a culture built on core values by respecting and supporting each member, recognizing and collaborating in accordance with our primary purpose, supporting diversity, attracting and retaining the right people, and caring for the physical and psychological wellbeing of each team member.

# Financial Report

For the year ended 31 December 2017

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# Directors' report

## 1. DIRECTORS

The directors present their report together with the financial report of ActivateUTS ("the Company") and of the Group, being the Company and its controlled entity, for the financial year ended 31 December 2017 and the auditor's report thereon.

### **Professor Peter Booth - Chair**

BEc (Sydney), GradDipEd (SydTeachColl), MEc (UNE),  
PhD (Griff), FCPA, FCA  
Appointed 1 March 2017

### **Associate Professor Prabhu Sivabalan**

BBus (Hons) Ph.D  
University Staff  
Appointed 1 August 2014

### **Ms Fiona Thomas**

BSC, MHRM&IR, GCCM  
University Staff  
Appointed 3 January 2017

### **Ms Jacqui Wise**

MMgmt (Mktg) MGSM)  
University Staff  
Appointed 7 October 2010

### **Professor Anita Stuhmcke**

BA/LLB(Hons) MJuris(Hons) PhD  
University Staff  
Appointed 1 January 2017

### **Ms Elizabeth Brett**

Executive Masters in Business  
Administration  
Appointed 27 February 2012

### **Ms Hannah Monaghan**

Student Director  
Term ended 6 October 2017

### **Mr Rayan Calimlim**

Student Director  
Term ended 6 October 2017

### **Mr Paul Vavich**

Student Director resigned 20 March 2017

### **Mr Thomas Miletich**

Student Director  
Appointed 24 March 2017 to 6 October 2017  
Reappointed 7 October 2017

### **Ms Emily Hazell**

Student Director  
Appointed 7 October 2017

### **Ms Jessica Massih**

Student Director  
Appointed 7 October 2017

### **Mr Linus Faustin**

Student Director  
Appointed 7 October 2017

### **Ms Lydia Watson-Moore**

Student Director  
Appointed 7 October 2017

### **Mr Rohan Indra**

Student Director  
Appointed 7 October 2017

### **Ms Sabrina Ester Ulis**

Student Director  
Appointed 7 October 2017

## Directors' report cont.

### 2. DIRECTORS' MEETINGS

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

| Director                        | BOARD MEETINGS |    | AUDIT & RISK |   | FINANCE COMMITTEE |    |
|---------------------------------|----------------|----|--------------|---|-------------------|----|
|                                 | A              | B  | A            | B | A                 | B  |
| Professor Rob Lynch             | 11             | 11 | 4            | 4 | 2                 | 4  |
| Professor P Booth               | 8              | 11 | 3            | 3 | -                 | -  |
| Associate Professor P Sivabalan | 7              | 11 | -            | - | 7                 | 10 |
| Ms J Wise                       | 7              | 11 | -            | - | 7                 | 10 |
| Ms F Thomas                     | 10             | 11 | -            | - | -                 | -  |
| Ms E Morgan-Brett               | 9              | 11 | -            | - | 8                 | 10 |
| Professor A Stuhmcke            | 10             | 11 | 3            | 3 | -                 | -  |
| Ms H Monaghan                   | 3              | 7  | -            | - | -                 | -  |
| Mr R Calimlim                   | 8              | 8  | 1            | 2 | -                 | -  |
| Ms E Hazell                     | 10             | 11 | -            | - | -                 | -  |
| Ms J Massih                     | 11             | 11 | 2            | 3 | 10                | 10 |
| Mr L Faustin                    | 11             | 11 | -            | - | 8                 | 10 |
| Ms L Watson-Moore               | 11             | 11 | -            | - | 10                | 10 |
| Mr T Miletich                   | 7              | 9  | -            | 1 | 5                 | 7  |
| Mr R Indra                      | 3              | 3  | -            | - | 2                 | 2  |
| Ms S Ulis                       | 2              | 3  | -            | - | -                 | -  |
| Mr P Vavich                     | 0              | 2  | -            | - | -                 | 1  |

**A** - Number of meetings attended

**B** - Number of meetings held during the time the director held office during the year



## Directors' report cont.

### 3. OBJECTIVES AND STRATEGY

The broad objectives of the Company are to provide recreational, sporting, social and cultural programs and activities for students and provide subsidies for student clubs and societies. They also include providing food and beverage and retail services to the student and campus community. The long term objectives encompass the planning for and providing services infrastructure to facilitate the delivery of programs and services; and to ensure programs and services continue to remain relevant to the student and campus community.

Strategy employed to achieve the objectives of the Company is based on fiscal responsibility with a priority towards achieving budgeted surpluses, thus enabling the organisation to continue to invest in capital and expand funding for student services, while maintaining an appropriate level of autonomy. The Company has also stringently adhered to the regulations of the Student Services and Amenities Fee (SSAF) legislation.

The Board identifies strategic direction in the delivery of student and campus services through an annual corporate plan that identifies a number of financial and operational key performance indicators (KPIs). These KPIs are regularly reviewed by management to gauge the performance of operations and ensure that the measures adopted continue to be relevant in the changing economic environment in which the Company operates.

### 4. PRINCIPAL OBJECTIVES AND PERFORMANCE

The principal activities of the Group during the course of the financial year were the provision of various member services to students and staff at the University of Technology Sydney, New South Wales.

There were no significant changes in the nature of the activities of the Group during the year.

The Group's profit after tax for the year amounted to \$409,855 (2016: \$678,727 profit after tax).

### 5. MEMBERSHIP

The Company is a company limited by guarantee and without share capital. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$5 (2016: \$5) per member in the event of the winding up of the Company during the period of membership or within one year thereafter. The Company has only one member, being the University of Technology Sydney. The total amount that the member of the Company is liable to contribute if the Company is wound up is \$5 (2016: \$5).

### 6. EVENTS SUBSEQUENT TO REPORTING DATE

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

### 7. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the financial year ended 31 December 2017.

This report is made with a resolution of the directors.



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Professor Peter Booth

Dated at Sydney this 19th day of April 2018

The Board of Directors  
ActivateUTS  
Tower Building 1  
University of Technology  
Level 16, 15-79 Broadway  
Ultimo NSW 2007

19 April 2018

Dear Board Members

## ActivateUTS

In accordance with section Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of ActivateUTS.

As lead audit partner for the audit of the financial statements of ActivateUTS for the financial year ended 31<sup>st</sup> December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Cheryl Kennedy  
Partner  
Chartered Accountant

# Statements of financial position

|                                      |      | CONSOLIDATED      |                   | COMPANY           |                   |
|--------------------------------------|------|-------------------|-------------------|-------------------|-------------------|
|                                      | NOTE | 2017<br>\$        | 2016<br>\$        | 2017<br>\$        | 2016<br>\$        |
| <b>Assets</b>                        |      |                   |                   |                   |                   |
| Cash and cash equivalents            | 4    | 7,151,638         | 7,440,734         | 6,390,142         | 6,933,482         |
| Trade and other receivables          | 5    | 562,842           | 1,110,562         | 663,209           | 1,076,990         |
| Inventories                          | 6    | 301,956           | 356,309           | 254,555           | 321,811           |
| Prepayments                          |      | 156,481           | 73,379            | 151,482           | 69,935            |
| <b>Total current assets</b>          |      | <b>8,172,917</b>  | <b>8,980,984</b>  | <b>7,459,388</b>  | <b>8,402,218</b>  |
| Trade and other receivables          | 5    | -                 | -                 | 528,680           | 528,680           |
| Property, plant and equipment        | 7    | 12,605,051        | 11,414,870        | 12,464,348        | 11,231,006        |
| <b>Total non-current assets</b>      |      | <b>12,605,051</b> | <b>11,414,870</b> | <b>12,993,028</b> | <b>11,759,686</b> |
| <b>Total assets</b>                  |      | <b>20,777,968</b> | <b>20,395,854</b> | <b>20,452,416</b> | <b>20,161,904</b> |
| <b>Liabilities</b>                   |      |                   |                   |                   |                   |
| Trade and other payables             | 10   | 1,257,522         | 1,336,664         | 916,917           | 1,026,258         |
| Employee benefits                    | 11   | 371,608           | 384,963           | 332,322           | 348,935           |
| Revenue received in advance          |      | 188,164           | 133,137           | 97,528            | 54,725            |
| <b>Total current liabilities</b>     |      | <b>1,817,294</b>  | <b>1,854,764</b>  | <b>1,346,767</b>  | <b>1,429,918</b>  |
| Employee benefits                    | 11   | 24,236            | 14,507            | 24,236            | 14,507            |
| <b>Total non-current liabilities</b> |      | <b>24,236</b>     | <b>14,507</b>     | <b>24,236</b>     | <b>14,507</b>     |
| <b>Total liabilities</b>             |      | <b>1,841,530</b>  | <b>1,869,271</b>  | <b>1,371,003</b>  | <b>1,444,425</b>  |
| <b>Net assets</b>                    |      | <b>18,936,438</b> | <b>18,526,583</b> | <b>19,081,413</b> | <b>18,717,479</b> |
| <b>Member's funds</b>                |      |                   |                   |                   |                   |
| General funds                        |      | 18,936,438        | 18,526,583        | 19,081,413        | 18,717,479        |
| <b>Total member's funds</b>          |      | <b>18,936,438</b> | <b>18,526,583</b> | <b>19,081,413</b> | <b>18,717,479</b> |

The notes on page 37-48 are an integral part of these financial statements.

# Statements of profit or loss & other comprehensive income

|  |      | CONSOLIDATED   |                | COMPANY        |                |
|--|------|----------------|----------------|----------------|----------------|
|  | NOTE | 2017<br>\$     | 2016<br>\$     | 2017<br>\$     | 2016<br>\$     |
| <b>Revenue</b>                                 | 8    | 16,948,769     | 16,978,539     | 14,055,786     | 13,928,182     |
| <b>Other income</b>                            | 9    | 13,276         | 18,734         | 13,276         | 18,734         |
| Change in inventories of finished goods        |      | (60,231)       | (134,524)      | (73,135)       | (120,075)      |
| Raw materials and consumables used             |      | (2,609,816)    | (2,643,485)    | (1,727,502)    | (1,772,639)    |
| Board expenses                                 |      | (68,951)       | (70,470)       | (67,284)       | (66,057)       |
| Personnel expenses                             | 12   | (7,408,658)    | (7,347,826)    | (5,925,891)    | (5,710,797)    |
| Cleaning expenses                              |      | (551,403)      | (529,197)      | (425,932)      | (401,479)      |
| Events and function expenses                   |      | (574,303)      | (700,171)      | (525,226)      | (682,326)      |
| Grant expenses                                 |      | (1,952,596)    | (1,725,729)    | (1,952,596)    | (1,725,729)    |
| Insurance expenses                             |      | (44,169)       | (47,471)       | (44,169)       | (47,471)       |
| Professional services expenses                 |      | (98,182)       | (70,649)       | (87,470)       | (60,244)       |
| Promotions and publications expenses           |      | (258,965)      | (287,316)      | (258,965)      | (287,316)      |
| Property expenses                              |      | (311,087)      | (398,426)      | (240,354)      | (375,347)      |
| Rent and rates expenses                        |      | (61,134)       | (48,956)       | (44,757)       | (33,428)       |
| Repairs and maintenance expenses               |      | (255,781)      | (282,048)      | (217,766)      | (251,258)      |
| Depreciation                                   |      | (1,478,421)    | (1,311,759)    | (1,434,110)    | (1,266,473)    |
| Other expenses                                 |      | (994,356)      | (869,914)      | (848,942)      | (745,096)      |
| <b>Results from operating activities</b>       |      | 234,206        | 529,334        | 195,205        | 401,181        |
| Interest income                                |      | 175,649        | 149,395        | 168,729        | 147,021        |
| <b>Profit before income tax</b>                |      | 409,855        | 678,727        | 363,934        | 548,202        |
| Income tax expense                             | 13   | -              | -              | -              | -              |
| <b>Profit for the year</b>                     |      | <b>409,855</b> | <b>678,727</b> | <b>363,934</b> | <b>548,202</b> |
| Other comprehensive income                     |      | -              | -              | -              | -              |
| <b>Total comprehensive income for the year</b> |      | <b>409,855</b> | <b>678,727</b> | <b>363,934</b> | <b>548,202</b> |

The notes on page 37-48 are an integral part of these financial statements.



# Statement of changes in members' funds

|  | CONSOLIDATED        |             |
|--|---------------------|-------------|
|  | GENERAL FUNDS<br>\$ | TOTAL<br>\$ |
| <b>Balance at 28 December 2015</b>             | 17,847,856          | 17,847,856  |
| <b>Total comprehensive income for the year</b> |                     |             |
| Profit for the year                            | 678,727             | 678,727     |
| Other comprehensive income                     | -                   | -           |
| <b>Balance at 25 December 2016</b>             | 18,526,583          | 18,526,583  |
| <b>Balance at 26 December 2016</b>             | 18,526,583          | 18,526,583  |
| <b>Total comprehensive income for the year</b> |                     |             |
| Profit for the year                            | 409,855             | 409,855     |
| Other comprehensive income                     | -                   | -           |
| <b>Balance at 31 December 2017</b>             | 18,936,438          | 18,936,438  |

|  | CONSOLIDATED        |             |
|--|---------------------|-------------|
|  | GENERAL FUNDS<br>\$ | TOTAL<br>\$ |
| <b>Balance at 28 December 2015</b>             | 18,169,277          | 18,169,277  |
| <b>Total comprehensive income for the year</b> |                     |             |
| Profit for the year                            | 548,202             | 548,202     |
| Other comprehensive income                     | -                   | -           |
| <b>Balance at 25 December 2016</b>             | 18,717,479          | 18,717,479  |
| <b>Balance at 26 December 2016</b>             | 18,717,479          | 18,717,479  |
| <b>Total comprehensive income for the year</b> |                     |             |
| Profit for the year                            | 363,934             | 363,934     |
| Other comprehensive income                     | -                   | -           |
| <b>Balance at 31 December 2017</b>             | 19,081,413          | 19,081,413  |

The notes on page 37-48 are an integral part of these financial statements.

# Statements of cash flows

|  |      | CONSOLIDATED |              | COMPANY      |              |
|--|------|--------------|--------------|--------------|--------------|
|  | NOTE | 2017<br>\$   | 2016<br>\$   | 2017<br>\$   | 2016<br>\$   |
| <b>Cash flows from operating activities</b>            |      |              |              |              |              |
| Cash receipts from customers                           |      | 19,178,113   | 18,658,325   | 15,918,070   | 15,166,055   |
| Cash paid to suppliers and employees                   |      | (16,987,533) | (16,900,167) | (13,975,964) | (13,600,480) |
| Cash from operations                                   |      | 2,190,580    | 1,758,158    | 1,942,106    | 1,565,575    |
| Interest received                                      |      | 175,649      | 149,395      | 168,729      | 147,021      |
| <b>Net cash flows provided by operating activities</b> |      | 2,366,229    | 1,907,553    | 2,110,835    | 1,712,596    |
| <b>Cash flows from investing activities</b>            |      |              |              |              |              |
| Proceeds from sale of property, plant and equipment    |      | 30,713       | 24,000       | 30,713       | 24,000       |
| Acquisition of property, plant and equipment           |      | (2,686,038)  | (518,569)    | (2,684,888)  | (509,069)    |
| <b>Net cash flows used in investing activities</b>     |      | (2,655,325)  | (494,569)    | (2,654,175)  | (485,069)    |
| Net increase in cash and cash equivalents              |      | (289,096)    | 1,412,984    | (543,340)    | 1,227,527    |
| Cash and cash equivalents at beginning of year         |      | 7,440,734    | 6,027,750    | 6,933,482    | 5,705,955    |
| <b>Cash and cash equivalents at end of year</b>        | 4    | 7,151,638    | 7,440,734    | 6,390,142    | 6,933,482    |

The notes on page 37-48 are an integral part of these financial statements.

# Notes to the financial statements

## 1. REPORTING ENTITY

ActivateUTS ("the Company") is a reporting entity and a company limited by guarantee domiciled in Australia. The address of the Company's registered office is the University of Technology Sydney, Level 16 Tower Building 1, 15 Broadway, Ultimo NSW 2007. The consolidated financial statements of the Company as at and for the year ended 31 December 2017 comprise the Company and its subsidiary (together referred to as the Group and individually as Group entities).

The Company is a not for profit entity, and the principal activities of the Group during the course of the financial year were the provision of various member services to students and staff at University of Technology Sydney, New South Wales.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

The consolidated financial statements are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Regime (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012, the Corporations Act 2001, the Registered Clubs Amendment Act 2006 and the Gaming Machines Tax Act 2001.

The Group and Company elected to early adopt AASB 1053 Application of Tiers of Australian Accounting Standards, for the year beginning on 1 January 2013 to prepare tier 2 general purpose financial statements.

ASIC Class order 10/654 Inclusion of parent entity financial statements in financial reports has been applied to permit the inclusion of parent entity financial statements in the consolidated financial report.

The consolidated financial statements were approved by the Board of Directors on 19 April 2018.

### (b) Basis of measurement

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

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, are included in the notes to the consolidated financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

### (a) Basis of consolidation

#### (i) Subsidiary

Subsidiaries are entities controlled by the Company. The result and cash flows of the sole subsidiary are included in the consolidated financial statements of the Group from the date that control commences until



## Notes to the financial statements cont.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of consolidation (continued)

##### (i) *Subsidiary (continued)*

the date that control ceases. The subsidiary's financial position is consolidated with that of the Company at the reporting date.

Where appropriate, the accounting policies of the sole subsidiary have been changed to align them with the policies adopted by the Company on consolidation.

##### (ii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### (b) Financial instruments

##### (i) *Non-derivative financial assets*

Financial assets are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group has the following non-derivative financial assets: cash and cash equivalents and loans and receivables.

##### **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an

insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

##### (ii) *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables (excluding accrued expenses).

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

#### (c) Property, plant and equipment

##### (i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

## Notes to the financial statements cont.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Property, plant and equipment (continued)

##### *(ii) Subsequent costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

##### *(iii) Depreciation*

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

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

#### (e) Impairment

##### *(i) Non-derivative financial assets*

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. Repayment by a debtor) causes the amount of impairment loss to decrease; the decrease in impairment loss is reversed through profit or loss.

##### *(ii) Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date,

## Notes to the financial statements cont.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) Impairment (continued)

##### (ii) Non-financial assets (continued)

calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (f) Employee benefit

##### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

##### (ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations.

##### (iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the

related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (g) Revenue

##### (i) Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the customer.

Revenue from services rendered comprises revenue from functions. It is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of the goods or there is continuing management involvement with the goods.

##### (ii) University allocated Student Services Amenities Fees

The fee is measured at the fair value of the consideration received or receivable and is recognised in profit or loss as the services are provided.

##### (iii) Fees - university contribution

Contributions from the University of Technology Sydney are measured at the fair value of the consideration received and recognised in profit or loss on receipt.

##### (iv) Other revenue

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

#### (h) Grant expenses

Grants are made to Clubs, Societies and individual students to assist with the pursuit of their sporting and cultural activities. In addition, they are also provided, where financial assistance is required, for the provision of equipment and facilities in the furthering of those activities. From time to time grants are made by the University of Technology Sydney (the university) as contribution to the supply of infrastructure and facilities specific to the use of ActivateUTS and associated entities.

## Notes to the financial statements cont.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Lease payments

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### (j) Interest income

Interest income on funds invested is recognised as it accrues in profit or loss, using the effective interest method.

#### (k) Tax

The Company is not liable for tax as it is a tax exempt charitable entity and as such incurs no liability to pay tax, however not all entities in the Group are exempt. Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in members funds or in other comprehensive income.

##### (i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Income tax Assessment Act 1997 (amended) provides that under the concept of mutuality, the controlled entity, UTS Haberfield Club, is only liable for income tax on income derived from non-members and from outside entities.

#### (l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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



## Notes to the financial statements cont.

|  | CONSOLIDATED |            | COMPANY    |            |
|--|--------------|------------|------------|------------|
|  | 2017<br>\$   | 2016<br>\$ | 2017<br>\$ | 2016<br>\$ |

### 4. CASH AND CASH EQUIVALENTS

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Bank balances  | 1,404,046 | 720,487   | 676,130   | 244,585   |
| Call deposits  | 5,703,767 | 6,672,302 | 5,703,767 | 6,672,302 |
| Cash on hand   | 43,825    | 47,945    | 10,245    | 16,595    |
| Cash and cash equivalents in the statement of cash flows | 7,151,638 | 7,440,734 | 6,390,142 | 6,933,482 |

### 5. TRADE AND OTHER RECEIVABLES

#### Current

|                              |         |           |         |           |
|------------------------------|---------|-----------|---------|-----------|
| Trade receivables            | 442,468 | 996,720   | 441,333 | 989,713   |
| Due from UTS Haberfield Club | -       | -         | 105,169 | 3,899     |
| Other receivables            | 120,374 | 113,842   | 116,707 | 83,378    |
|                              | 562,842 | 1,110,562 | 663,209 | 1,076,990 |

#### Non-Current

|                              |   |   |         |         |
|------------------------------|---|---|---------|---------|
| Due from UTS Haberfield Club | - | - | 528,680 | 528,680 |
|                              | - | - | 528,680 | 528,680 |

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

#### Impairment

|                                       |          |          |          |          |
|---------------------------------------|----------|----------|----------|----------|
| Balance at beginning of year          | 48,084   | 110,570  | 48,084   | 110,570  |
| Impairment loss recognised/(reversed) | (13,153) | (62,486) | (13,153) | (62,486) |
| Balance at end of year                | 34,931   | 48,084   | 34,931   | 48,084   |

### 6. INVENTORIES

|                          |         |         |         |         |
|--------------------------|---------|---------|---------|---------|
| Finished goods – at cost | 301,956 | 356,309 | 254,555 | 321,811 |
|--------------------------|---------|---------|---------|---------|

## Notes to the financial statements cont.

| CONSOLIDATED | Leasehold Improvements | Plant and Equipment | Under Construction | Artworks | Total |
|--------------|------------------------|---------------------|--------------------|----------|-------|
|              | \$                     | \$                  | \$                 | \$       | \$    |

### 7. PROPERTY, PLANT AND EQUIPMENT

#### Gross carrying amount

|                             |            |           |           |        |            |
|-----------------------------|------------|-----------|-----------|--------|------------|
| Balance at 25 December 2016 | 13,457,055 | 4,349,500 | 172,055   | 98,128 | 18,076,738 |
| Additions                   | 123,946    | 1,363,459 | 1,198,633 | -      | 2,686,038  |
| Transfers                   | 864,009    | -         | (864,009) | -      | -          |
| Disposals                   | -          | (174,080) | -         | -      | (174,080)  |
| Balance at 31 December 2017 | 14,445,010 | 5,538,879 | 506,679   | 98,128 | 20,588,696 |

#### Depreciation

|                             |           |           |   |   |           |
|-----------------------------|-----------|-----------|---|---|-----------|
| Balance at 25 December 2016 | 3,681,212 | 2,980,656 | - | - | 6,661,868 |
| Disposals                   | -         | (156,644) | - | - | (156,644) |
| Depreciation expense        | 1,063,396 | 415,025   | - | - | 1,478,421 |
| Balance at 31 December 2017 | 4,744,608 | 3,239,037 | - | - | 7,983,645 |

#### Carrying amounts

|                        |           |           |         |        |            |
|------------------------|-----------|-----------|---------|--------|------------|
| As at 25 December 2016 | 9,775,843 | 1,368,844 | 172,056 | 98,128 | 11,414,870 |
| As at 31 December 2017 | 9,700,402 | 2,299,842 | 506,679 | 98,128 | 12,605,051 |

| COMPANY | Leasehold Improvements | Plant and Equipment | Under Construction | Artworks | Total |
|---------|------------------------|---------------------|--------------------|----------|-------|
|         | \$                     | \$                  | \$                 | \$       | \$    |

#### Gross carrying amount

|                             |            |           |           |        |            |
|-----------------------------|------------|-----------|-----------|--------|------------|
| Balance at 25 December 2016 | 13,457,055 | 4,051,100 | 172,055   | 98,128 | 17,778,338 |
| Additions                   | 123,946    | 1,362,309 | 1,198,633 | -      | 2,684,888  |
| Transfers                   | 864,009    | -         | (864,009) | -      | -          |
| Disposals                   | -          | (174,080) | -         | -      | (174,080)  |
| Balance at 31 December 2017 | 14,445,010 | 5,239,339 | 506,679   | 98,128 | 20,289,146 |

#### Depreciation

|                             |           |           |   |   |           |
|-----------------------------|-----------|-----------|---|---|-----------|
| Balance at 25 December 2016 | 3,681,212 | 2,866,120 | - | - | 6,547,332 |
| Disposals                   | -         | (156,644) | - | - | (156,644) |
| Depreciation expense        | 1,063,396 | 370,714   | - | - | 1,434,110 |
| Balance at 31 December 2017 | 4,744,608 | 3,080,190 | - | - | 7,824,798 |

#### Carrying amounts

|                        |           |           |         |        |            |
|------------------------|-----------|-----------|---------|--------|------------|
| As at 25 December 2016 | 9,775,843 | 1,184,980 | 172,055 | 98,128 | 11,231,006 |
| As at 31 December 2017 | 9,700,402 | 2,159,149 | 506,680 | 98,128 | 12,464,348 |

## Notes to the financial statements cont.

|  | CONSOLIDATED |            | COMPANY    |            |
|--|--------------|------------|------------|------------|
|  | 2017<br>\$   | 2016<br>\$ | 2017<br>\$ | 2015<br>\$ |

### 8. REVENUE

|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Sale of goods                                | 8,816,134         | 9,141,086         | 5,844,697         | 6,088,227         |
| ActivateUTS allocated SSAF* collected by UTS | 5,180,787         | 5,018,780         | 5,180,787         | 5,018,780         |
| Rendering of services                        | 1,283,850         | 1,248,137         | 1,158,021         | 1,062,329         |
| Fees - University contribution               | 267,492           | 269,643           | 267,492           | 269,643           |
| Other revenue                                | 1,400,506         | 1,300,893         | 1,604,789         | 1,489,203         |
| <b>Total revenue</b>                         | <b>16,948,769</b> | <b>16,978,539</b> | <b>14,055,786</b> | <b>13,928,182</b> |

\*Student Services amenities fees

### 9. OTHER INCOME

|   |        |        |        |        |
|---|--------|--------|--------|--------|
| Gain on disposal of property, plant and equipment | 13,276 | 18,734 | 13,276 | 18,734 |
|   | -      | -      | -      | -      |

### 10. TRADE AND OTHER PAYABLES

#### Current

|                                     |                  |                  |                |                  |
|-------------------------------------|------------------|------------------|----------------|------------------|
| Trade payables                      | 331,680          | 375,416          | 215,930        | 256,922          |
| Other payables and accrued expenses | 903,594          | 930,735          | 678,740        | 738,823          |
| Due to UTS Rowing Club              | 22,248           | 30,513           | 22,248         | 30,513           |
|                                     | <b>1,257,522</b> | <b>1,336,664</b> | <b>916,917</b> | <b>1,026,258</b> |

### 11. EMPLOYEE BENEFITS

#### Current

|                                  |                |                |                |                |
|----------------------------------|----------------|----------------|----------------|----------------|
| Liability for annual leave       | 283,945        | 266,989        | 244,659        | 230,961        |
| Liability for long service leave | 87,663         | 117,974        | 87,663         | 117,974        |
|                                  | <b>371,608</b> | <b>384,963</b> | <b>332,322</b> | <b>348,935</b> |

#### Non-current

|                                  |        |        |         |        |
|----------------------------------|--------|--------|---------|--------|
| Liability for long service leave | 24,236 | 14,507 | 332,322 | 14,507 |
|----------------------------------|--------|--------|---------|--------|

## Notes to the financial statements cont.

|  | CONSOLIDATED |            | COMPANY    |            |
|--|--------------|------------|------------|------------|
|  | 2017<br>\$   | 2016<br>\$ | 2017<br>\$ | 2016<br>\$ |

### 12. PERSONAL EXPENSES

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Wages and salaries   | 5,936,692 | 5,866,777 | 4,699,482 | 4,552,018 |
| Other associated personnel expenses                        | 918,970   | 945,771   | 793,743   | 773,995   |
| Contributions to defined contribution superannuation funds | 556,621   | 564,915   | 439,551   | 444,085   |
| Movement in liability for annual leave                     | 16,957    | 16,553    | 13,698    | (13,110)  |
| Movement in liability for long service leave               | (20,582)  | (46,190)  | (20,582)  | (46,191)  |
|  | 7,408,658 | 7,347,826 | 5,925,891 | 5,710,797 |

### 13. INCOME TAX EXPENSE

#### Numerical reconciliation between tax expense and pre-tax accounting profit

|   |             |             |   |   |
|---|-------------|-------------|---|---|
| Proportion of net taxable income to non-members                                     | 1,656,440   | 2,446,458   | - | - |
| Less: Proportion of expenses attributable to non-members                            | (1,611,485) | (2,317,650) | - | - |
|   | 44,954      | 128,808     | - | - |
| Add: Other taxable income   | 45,453      | 45,348      | - | - |
| Less: Other deductible expenses   | (133,448)   | (147,980)   | - | - |
| Net income subject to tax   | (43,040)    | 26,176      | - | - |
| Income tax expense using the Company's statutory income tax rate of 30% (2016: 30%) | (12,912)    | 7,853       | - | - |
| Unrecognised tax losses (utilised)/reversed   | 12,912      | (7,853)     | - | - |
|   | -           | -           | - | - |

Estimated deferred tax assets have not been recognised in respect of the following items:

#### Unrecognised deferred tax assets

|                                  |         |         |   |   |
|----------------------------------|---------|---------|---|---|
| Deductible temporary differences | 11,828  | 16,855  | - | - |
| Tax losses                       | 193,834 | 183,385 | - | - |
|                                  | 205,662 | 200,240 | - | - |

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the entity can utilise the benefits from.



## Notes to the financial statements cont.

|  | CONSOLIDATED |            | COMPANY    |            |
|--|--------------|------------|------------|------------|
|  | 2017<br>\$   | 2016<br>\$ | 2017<br>\$ | 2016<br>\$ |

### 14. OPERATING LEASES

#### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

|                           |         |         |         |         |
|---------------------------|---------|---------|---------|---------|
| Less than one year        | 47,082  | 46,205  | 47,082  | 46,205  |
| Between two to five years | 188,330 | 184,818 | 188,330 | 184,818 |
| Greater than five years   | 309,303 | 350,868 | 309,303 | 350,868 |
|                           | 544,715 | 581,891 | 544,715 | 581,891 |

The Company leases the land on which its controlled entity operates under non-cancellable operating leases. These leases with Inner West Council and Roads and Maritime Services include term end environmental remediation clauses. At this time, the directors consider the risk of significant expenses arising as a result of the remediation clauses to be remote.

During the year the Group recognised \$45,528 as an expense in profit or loss in respect of operating lease rentals (2016: \$47,436). During the year the Company recognised \$45,528 as an expense in profit or loss in respect of operating lease rentals (2016: \$47,436).

#### Leases as lessor

Non-cancellable operating lease rentals are receivable as follows:

|                           |         |         |         |         |
|---------------------------|---------|---------|---------|---------|
| Less than one year        | 154,599 | 110,371 | 154,599 | 110,371 |
| Between two to five years | 371,569 | 441,483 | 371,569 | 441,483 |
| Between two to five years | -       | -       | -       | -       |
|                           | 526,168 | 551,854 | 526,168 | 551,854 |

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 15. CAPITAL AND OTHER COMMITMENTS

As at 31 December 2017, the Group had no capital commitments (2016: Nil).

### 16. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets in existence at the reporting date. The Group and the Company has the following contingent liabilities at the reporting date:

|                 |        |        |        |        |
|-----------------|--------|--------|--------|--------|
| Bank guarantees | 25,000 | 25,000 | 25,000 | 25,000 |
|-----------------|--------|--------|--------|--------|

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

## Notes to the financial statements cont.

|  | CONSOLIDATED |            | COMPANY    |            |
|--|--------------|------------|------------|------------|
|  | 2017<br>\$   | 2016<br>\$ | 2017<br>\$ | 2016<br>\$ |

### 17. RELATED PARTIES

#### Key management personnel compensation

The compensation received by non-executive key management personnel included in other expenses is as follows:

|                    |       |       |       |       |
|--------------------|-------|-------|-------|-------|
| Director honoraria | 7,500 | 7,500 | 7,500 | 7,500 |
|--------------------|-------|-------|-------|-------|

The compensation received by executive key management personnel is as follows:

|                                       |         |         |         |         |
|---------------------------------------|---------|---------|---------|---------|
| Short and long term employee benefits | 262,303 | 233,178 | 262,303 | 233,178 |
|---------------------------------------|---------|---------|---------|---------|

#### Key management personnel transactions and balances

From time to time, key management personnel of the Company, or their related entities, may purchase goods and services from the Company. These purchases are on the same terms and conditions as those entered into by third parties and are trivial or domestic in nature.

Apart from the details disclosed in this note, no other key management personnel has transacted with the Company since the end of the previous financial year and there were no outstanding balances involving key management personnel's interests existing at year-end.

#### Other related party transactions

The Company has related party relationships with:

- The University of Technology Sydney (entity that exerts significant influence as the sole member of the Company)
- UTS Haberfield Club Limited (controlled entity)

#### Balances with related parties

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

##### Current receivables

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Entity that exerts significant influence | 274,361 | 170,511 | 274,361 | 170,511 |
|--|---------|---------|---------|---------|

##### Non-current receivables

|                   |   |   |         |         |
|-------------------|---|---|---------|---------|
| Controlled entity | - | - | 528,680 | 528,680 |
|-------------------|---|---|---------|---------|

##### Current receivables

|                   |   |   |         |       |
|-------------------|---|---|---------|-------|
| Controlled entity | - | - | 105,169 | 3,899 |
|-------------------|---|---|---------|-------|

##### Current payables

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Entity that exerts significant influence | 55,749 | 94,352 | 55,749 | 94,352 |
|--|--------|--------|--------|--------|

## Notes to the financial statements cont.

|  | CONSOLIDATED |            | COMPANY    |            |
|--|--------------|------------|------------|------------|
|  | 2017<br>\$   | 2016<br>\$ | 2017<br>\$ | 2016<br>\$ |

### Transactions with related parties

#### (i) University of Technology Sydney

Throughout the year, revenue is derived from and expenses incurred from the University of Technology Sydney. These transactions are on the same terms and conditions as those entered into by any other entity or individual.

Aggregate amounts brought to account from transactions with the University of Technology Sydney are:

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Staff fees contribution revenue              | 102,962   | 103,373   | 102,962   | 103,373   |
| Management fee - Ross Milbourne sports hall  | 164,530   | 166,270   | 164,530   | 166,270   |
| Donation revenue                             | -         | -         | -         | -         |
| Total fees - university contribution         | 267,492   | 269,643   | 267,492   | 269,643   |
| ActivateUTS allocated SSAF* collected by UTS | 5,180,787 | 5,168,780 | 5,180,787 | 5,168,780 |
| Functions revenue                            | 1,529,344 | 1,774,309 | 1,529,344 | 1,774,309 |

### Head licence agreement

ActivateUTS operates under a Head licence Agreement (HLA), which is a legal agreement between ActivateUTS (licensee) and the University of Technology Sydney (licensor) that confirms the spaces and uses of ActivateUTS on the university campus. The HLA is in effect until 31 May 2018, and ActivateUTS can extend the licence for a period of 5 years (rolling), subject to certain conditions in the HLA.

Within the HLA are clauses that outline the responsibilities of both parties, should there be a need to relocate ActivateUTS spaces and facilities. The licensor must pay the actual and reasonable fit out costs of the licensee and any approved sub licensees of the licensee to the extent that such costs relate directly to the relocation. Further, the licensor must compensate the licensee for the depreciated value of the asset that would be written off as a loss as a consequence of the licensee's relocation.

#### (i) UTS Haberfield Club Limited

UTS Haberfield Club operates the Club premises at Dobroyd Parade, Haberfield under a licence agreement with ActivateUTS. ActivateUTS leases the land from Inner West Council and Roads and Maritime Services, and has constructed the premises occupied by the Club (see Note 14). The licence fee is included in the management fee income (see below).

### Aggregate amounts brought to account from transactions with the subsidiary are:

|  | 2017<br>\$ | 2016<br>\$ |
|--|------------|------------|
| Management fee income from UTS Haberfield Club Limited | 213,672    | 196,296    |

## 18. EVENTS AFTER THE REPORTING PERIOD

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

# Director's declaration

In the opinion of the directors of ActivateUTS (the Company):

(a) The financial statements and notes that are set out on pages 35 to 54, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:

(i) Giving a true and fair view of the Company's and the Group's financial position as at 31 December 2017 and of their performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulations 2013;

and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



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Professor Peter Booth

Dated at Sydney this 19th day of April 2018



## Independent Auditor's Report to the Members of ActivateUTS

### *Opinion*

We have audited the financial report of ActivateUTS (the "Entity") and its subsidiary (the "Group") which comprises the statements of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, the statements of changes in members funds and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration as set out on pages 6 to 26.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- (i) giving a true and fair view of the Entity and Group's financial position as at 31 December 2017 and of their financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *Basis for Opinion*

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

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

### *Other Information*

The directors are responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors' report and the information included in the Group's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the directors for the Financial Report*

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

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

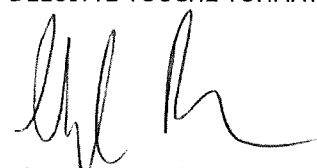
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 our 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



**Cheryl Kennedy**

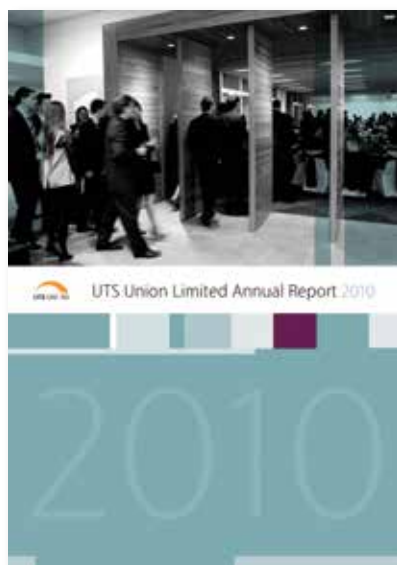
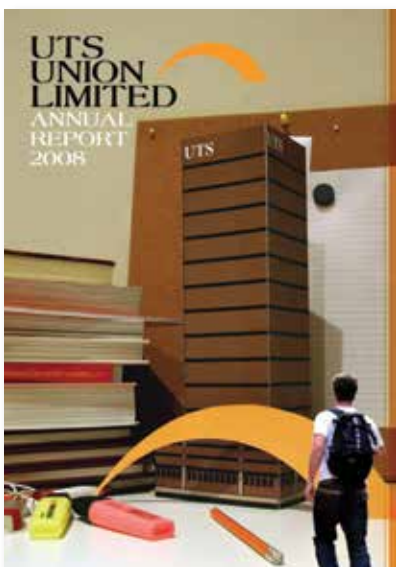
Partner

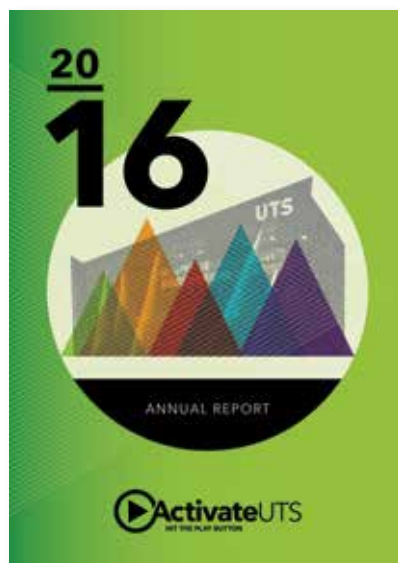
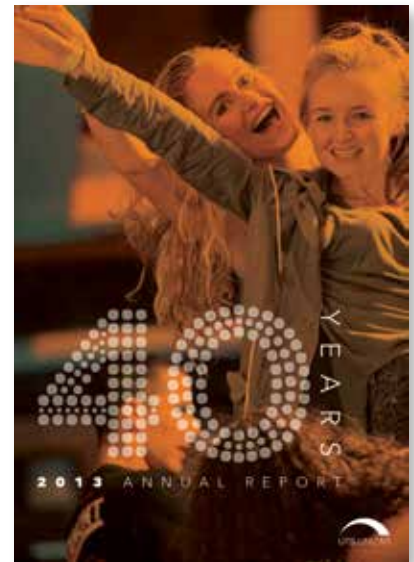
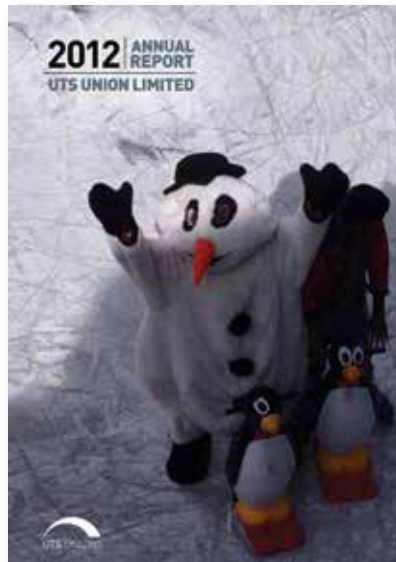
Chartered Accountants

Sydney, 20 April 2018

# History never repeats

Looking back at our annual report covers over the last 12 years shows a fascinating journey. Sometimes it can be a good thing to look back, to help us understand how we can move forward.







**ActivateUTS**

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