

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2019

General Information

Swinburne Student Amenities Association Limited (SSAA) is an Australian Public Company Limited by guarantee and was established on 9 November 2005, pursuant to the general authority contained in the *Swinburne University of Technology Act 2010* (as amended). In 2017, the trading name of the company was changed from Swinburne Student Amenities Association Limited (SSAA) to Swinburne Student Life. The company's new trading name does not affect the company's legal name.

The responsible Minister is the Hon. Gayle Tierney MLC, Minister for Training and Skills and Minister for Higher Education. Remuneration of the responsible Minister is disclosed in the financial report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

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

Organisational Structure / Workforce Data

Directors

The Directors of the company during the financial year were:

- Ms Jane Ward (Executive Chair) - Term ended 31/12/2019
- Ms Sarah Graham - Term ended 13/09/2019
- Professor Glen Bates - Term ended 23/03/2019
- Ms Sharon Rice
- Dr Andrew J Smith
- Ms Sarah Maddison - Term commenced 22/03/2019
- Ms Angela Carbone - Term commenced 02/12/2019

Swinburne Student Directors

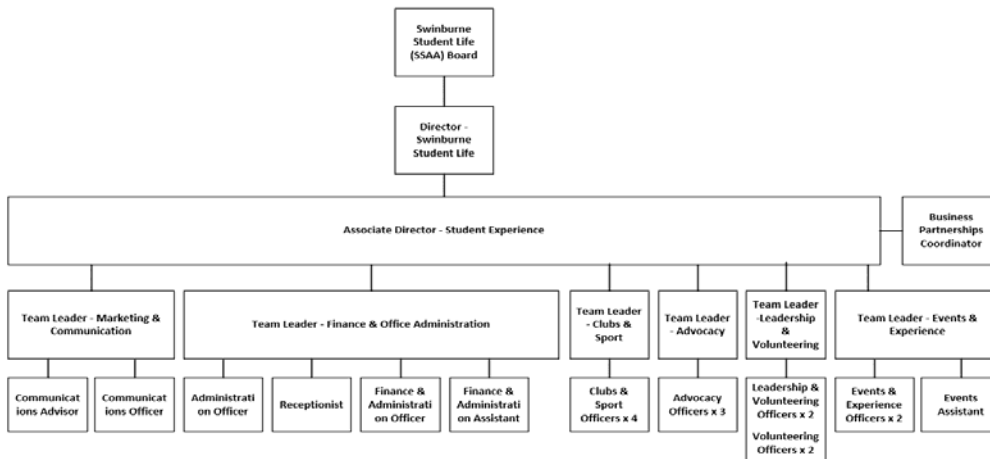
The Swinburne Student Directors of the company during the financial year were:

- Ms Syeda Zehra (PAVE student) - Term from 01/01/2019 to 30/09/2019
- Mr Qasim Rehan (Undergraduate student) - Term ended 31/12/2019
- Mr Abdul Rehman Khan (Postgraduate student) - Term commenced 01/01/2019
- Ms Amber Truong (International student) - Term from 14/09/2019 to 31/12/2019

Company Secretary

Ms Emma Lincoln

The organisation structure of the company is as follows:



During 2019, the company updated its organisational structure. As at 31 December 2019, recruitment was in process. The company has 28 employees with equivalent full time of 27.8 (2018: 24).

	2018				2019			
	Full Time	Part Time	Casual	Total	Full Time	Part Time	Casual	Total
Male	5	0	1	6	9	0	1	10
Female	16	0	2	18	14	1	3	18
Total	21	0	3	24	23	1	4	28

REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2019 (cont.)

Governance

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

Merit and Equity Policy

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

Occupational Health and Safety

The company complies with the relevant occupational health and safety legislation through adherence to the policies of Swinburne University of Technology.

Freedom of Information

There have been no requests made to the company under the *Freedom of Information Act (Vic, 1982)* (2018: nil).

Whistleblowers Protection

The company complies with the policies and procedures in relation to the protections provided under the *Protected Disclosure Act 2012*. The company received no applications in 2019, (2018: nil).

Operating Performance and Financial Position

	2015	2016	2017	2018	2019
	\$000	\$000	\$000	\$000	\$000
Revenue	5,358	3,653	3,895	3,985	4,754
Expenses	3,190	3,473	3,581	3,951	3,737
Net result	2,168	181	315	34	1,016
Assets	8,143	8,459	8,704	8,724	9,925
Liabilities	241	287	217	204	387
Equity	7,902	8,172	8,487	8,521	9,537

Operational and Budgetary Objectives

The company's operational and budgetary plans and objectives for 2019 were consistent with the company's objectives as stated earlier in this report.

Building Act Compliance

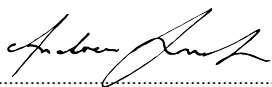
The company complies with relevant legislation through adherence to the policies of Swinburne University of Technology.

Compliance with National Competition Policy

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

Audit Committee

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



Executive Chair
Dr Andrew J Smith

Date Signed: 29 / 04 / 2020
Melbourne



Director
Prof Sarah Maddison

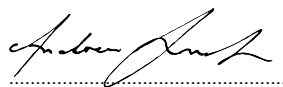
Date Signed: 29 / 04 / 2020
Melbourne

DIRECTORS' DECLARATION

The Directors of the company declare that:

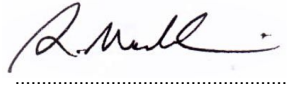
1. The financial report of Swinburne Student Amenities Association Ltd as set out on pages 7 to 26:
 - (a) complies with Australian Accounting Standards as detailed in Note 2 to the financial statements and other mandatory professional reporting requirements.
 - (b) complies with section 44 of the *Swinburne University of Technology Act 2010* (as amended), Standing Direction 5.2 of the Directions of the Victorian Minister for Finance under the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.
 - (c) gives a true and fair view of the company's financial position as at 31 December 2019 and of the company's performance for the year ended on that date.
2. In the directors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate.
4. Accordingly the annual financial statements, report of operations, directors' report, and solvency declaration be approved and the Chair or any other director be authorised to sign these.
5. That the Auditor-General of Victoria be confirmed as the company's auditor for 2019.

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



.....
Executive Chair
Dr Andrew J Smith

Date Signed: 29/ 04/ 2020
Melbourne



.....
Director
Prof Sarah Maddison

Date Signed: 29/ 04/ 2020
Melbourne

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

DIRECTORS' REPORT

The Directors present their report on the company for the financial year ended 31 December 2019. The financial report has been prepared in accordance with the *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Directors

The names and details of the Directors of the company during the financial year or at the date of this report were:

Name: Ms Jane Ward (Executive Chair) - Term ended 31/12/2019

Experience: Vice President, Engagement - Swinburne University of Technology

Name: Ms Sarah Graham - Term ended 13/09/2019

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

Name: Professor Glen Bates - Term ended 23/03/2019

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

Name: Ms Sharon Rice

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

Name: Dr Andrew J Smith

Experience: Vice President, Students - Swinburne University of Technology

Name: Ms Sarah Maddison - Term commenced 22/03/2019

Experience: Pro Vice-Chancellor, Academic Innovation & Change - Swinburne University of Technology

Name: Ms Angela Carbone - Term commenced 02/12/2019

Experience: Associate Dean, Learning Innovation - Swinburne University of Technology

Swinburne Student Directors

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

Ms Syeda Zehra (PAVE student) - Term from 01/01/2019 to 30/09/2019

Mr Qasim Rehan (Undergraduate student) - Term ended 31/12/2019

Mr Abdul Rehman Khan (Postgraduate student) - Term commenced 01/01/2019

Ms Amber Truong (International student) - Term from 14/09/2019 to 31/12/2019

Company Secretary

Ms Emma Lincoln

Principal Activities

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

Review of Operations

The financial report has been prepared for the year ended 31 December 2019. The net result is \$1,016,472 (2018: \$33,774).

Taxation

The company is exempt from income tax pursuant to subdivision 50-B of the *Income Tax Assessment Act 1997*.

Dividends, Distributions, Options and Share issues

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

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs in 2019.

Events Subsequent to Balance Date

Impact of Coronavirus (COVID-19)

On January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. This event will have an impact on the financial performance and liquidity of the University in 2020 to which the company is financially dependent on. For further information in relation to this, please refer to Note 19 in the financial statement.

Except for the above, no other matters of circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material or unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the company, the result of those operations, or the state of affairs of the company in subsequent financial years.

Environmental Regulation

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

DIRECTORS' REPORT (cont.)

Indemnifying Officer or Auditor

The company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; and
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost or expenses to defend legal proceedings.

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

Directors' Benefits

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

Meetings of Directors

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

	Number Eligible to Attend	Number Attended
Ms Jane Ward	4	4
Ms Sarah Graham	2	1
Professor Glen Bates	0	0
Ms Sharon Rice	4	4
Dr Andrew J Smith	4	4
Ms Sarah Maddison	3	1
Ms Angela Carbone	1	1
Ms Syeda Zehra	3	0
Mr Qasim Rehan	4	3
Mr Abdul Rehman Khan	4	4
Ms Amber Truong	2	2

Directors' and Officers' Insurance

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

Proceedings on Behalf of company

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

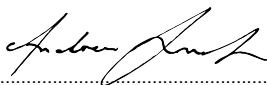
Rounding of Amounts

The company is a company of the kind referred to ASIC Class Order 2016/191 and in accordance with that Class Order amounts in the Directors' report and the financial report are rounded to the nearest dollar.

Economic Dependency

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

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



.....
Executive Chair
Dr Andrew J Smith

Date Signed: 29 / 04 / 2020
Melbourne



.....
Director
Prof Sarah Maddison

Date Signed: 29 / 04 / 2020
Melbourne

Independent Auditor's Report

To the Board of Swinburne Student Amenities Association Limited Victorian Auditor-General's Office

Opinion	<p>I have audited the financial report of Swinburne Student Amenities Association Limited (the company) which comprises the:</p> <ul style="list-style-type: none"> • statement of financial position as at 31 December 2019 • income statement for the year then ended • statement of comprehensive income for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Directors' declaration. <p>In my opinion the financial report is in accordance with Part 7 of the Financial Management Act 1994 and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • giving a true and fair view of the financial position of the company as at 31 December 2019 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Emphasis of matter – subsequent events COVID-19 Pandemic	<p>I draw attention to Note 19 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.</p>
Other information	<p>The Directors are responsible for the Other Information, which comprises the information in the annual report for the year ended 31 December 2019, but it does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the company is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, Part 7 of the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

MELBOURNE
4 May 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board, Swinburne Student Amenities Association Limited

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

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

Independence Declaration

As auditor for Swinburne Student Amenities Association Limited for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
4 May 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Revenue from continuing operations			
Revenue from continuing activities	3.1	4,017,325	3,924,780
Gains on disposal of assets	3.1	-	60,455
Unrealised gain on financial assets at fair value through profit and loss	3.1	736,471	-
Total income from continuing operations		<u>4,753,796</u>	<u>3,985,235</u>
Expenses from continuing operations			
Employee expenses	3.2(a)	2,464,059	2,199,285
Depreciation	3.2(b)	11,795	13,147
Repairs and maintenance	3.2(c)	6,091	20,739
Other expenses	3.2(d)	1,244,379	1,403,615
Unrealised loss on financial assets at fair value through profit and loss	3.2(d)	-	303,974
Audit fee	3.2(e)	11,000	10,700
Total expenses from continuing operations		<u>3,737,324</u>	<u>3,951,460</u>
Net result for the year		<u>1,016,472</u>	<u>33,774</u>

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Net result for the year		1,016,472	33,774
Other comprehensive income			
Gain/(Loss) on valuation of financial assets		<u>-</u>	<u>-</u>
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,016,472</u>	<u>33,774</u>
Total comprehensive income attributable to the company		<u>1,016,472</u>	<u>33,774</u>

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

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Other current assets	4	2,312,575	2,084,880
Total Current Assets		<u>2,312,575</u>	<u>2,084,880</u>
Non-Current Assets			
Plant and equipment	5	35,183	30,720
Financial assets	16	7,576,878	6,608,884
Total Non-Current Assets		<u>7,612,061</u>	<u>6,639,604</u>
Total Assets		<u>9,924,636</u>	<u>8,724,484</u>
LIABILITIES			
Current Liabilities			
Other current liabilities	7	180,798	54,072
Employee benefits	6	120,507	92,732
Total Current Liabilities		<u>301,305</u>	<u>146,804</u>
Non-Current Liabilities			
Employee benefits	6	86,094	56,914
Total Non-Current Liabilities		<u>86,094</u>	<u>56,914</u>
Total Liabilities		<u>387,399</u>	<u>203,718</u>
NET ASSETS		<u>9,537,237</u>	<u>8,520,765</u>
EQUITY			
Reserves	9	-	-
Retained earnings	8	9,537,237	8,520,765
TOTAL EQUITY		<u>9,537,237</u>	<u>8,520,765</u>

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

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Retained Earnings	Reserves	Total
		\$	\$	\$
Balance at 1 January 2018		8,486,991	-	8,486,991
Net result for the year		33,774	-	33,774
Other comprehensive income for the year		-	-	-
Balance at 31 December 2018		<u>8,520,765</u>	<u>-</u>	<u>8,520,765</u>
Net result for the year		1,016,472	-	1,016,472
Other comprehensive income for the year		-	-	-
Balance at 31 December 2019		<u><u>9,537,237</u></u>	<u><u>-</u></u>	<u><u>9,537,237</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Net cash flow from operating activities	13	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Net cash flow from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Net cash flow from financing activities		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the year		<u>-</u>	<u>-</u>

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

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

Notes to the Financial Statements for the Year Ended 31 December 2019

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Notes to the Financial Statements for the Year Ended 31 December 2019

1 Statutory Reporting Requirements

The financial report of Swinburne Student Amenities Association Limited for the year ended 31 December 2019 has been prepared pursuant to section 44 of the *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

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

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the Australian Government's Department of Education and Training, other Victorian and Australian Government legislative requirements, the requirements of the *Swinburne University of Technology Act 2010*, the *Victorian Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Historical cost convention

The financial report has been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and certain classes of property, plant and equipment to fair value.

Critical accounting estimates

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report, are the valuation of provision for employee entitlements and superannuation. The Company obtains external advice in the calculation of these estimates.

(b) Revenue Recognition

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

- Government financial assistance revenue falling under AASB 1058 is recognised in the year received, unless the grant is received to acquire a recognisable non-financial asset to be controlled by the company.
- Donations and government financial assistance contributions falling under AASB 1058 to acquire or construct a recognisable non-financial asset are recognised when, or as the company's obligations are satisfied under the transfer. A liability for the excess of the initial carrying amount of the contribution is recognised until the obligations are satisfied.
- Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.
- Fees and charges are recorded at fair value and include amounts received or receivable in respect of student activities. They represent a portion of the Amenities Fees collected by the parent entity from current students which is provided to the company depending on the activities undertaken. Revenue from fees and charges is recognised over time in line with delivery of non-academic services which in line with AASB 15 *Revenue from Contracts with Customers*.
- Donations are recognised in the year that they are received.

(c) Impairment of Assets

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

(d) Cash and Cash Equivalents

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

(e) Trade Receivables

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

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

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

Notes to the Financial Statements for the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont.)

(f) Financial Assets

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

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

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

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

(g) Fair Value Estimation

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

(h) Plant and Equipment

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

The expected useful lives are as follows:

Class of Non-Current Asset	Useful Life	
	2019	2018
Equipment	5 years	5 years

(i) Acquisition of Assets

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

(j) Trade and Other Payables

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

Notes to the Financial Statements for the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont.)

(k) Employee Benefits

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised as employee benefits at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the company in respect of services provided by employees up to the reporting date.

(ii) Long service leave

The liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The company determines that portion expected to be paid in the year which is measured at nominal value and the remainder measured at net present value. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Long service leave is paid out on resignation, termination, and redundancy after 5 years of service and is available to be taken after 5 years of service with the agreement of both the employee and the company.

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

(iii) Superannuation

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

(iv) Employee benefit oncosts

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

(v) Annual Leave liability

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

(vi) Accrued salaries

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

(l) Income Tax

Swinburne Student Amenities Association is exempt from income tax pursuant to subdivision 50-B of the *Income Tax Assessment Act 1997 (as amended)*.

(m) Commitments

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

(n) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 14) and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of the GST receivable or payable respectively.

(o) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. The company forms part of the tax consolidated group of the University. The University reports its GST liabilities on a single Business Activity Statement (BAS) on behalf of the tax consolidated group. This grouping also removes any obligation for payment of GST on transactions between the company and the tax consolidated group of the University. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO, are presented as operating cash flows.

Notes to the Financial Statements for the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont.)

(p) Rounding of Amounts

The company is of a kind referred to ASIC Class Order 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded in accordance with that Class Order to the nearest dollar.

(q) Initial application of new accounting standards

New accounting standards

The company has adopted AASB 15 and 1058 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of the new accounting standards are described below.

The interpretations and amending standards listed below have also been adopted:

Standard/ Interpretation	Summary	Impact on the financial statements
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Entities</i>	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 • Statutory receivables are recognised and measured similarly to financial assets. AASB 15 • The 'customer' does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or 'equivalent means'; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.
AASB 2018-4 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Public-Sector Licensors</i>	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	The assessment has indicated that there will be no significant impact to the company.

In addition to the above, the following interpretations and amending standards have also been adopted. The below standards include editorial and references changes that do not have significant impact to the company's annual report:

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments*
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*
- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*
- AASB2018-2 *Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement*

AASB 15 and AASB 1058

The company adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the company assessed the cumulative effect of applying these new standards as an adjustment to opening retained earnings at 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the company has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at 1 January 2019.

Notes to the Financial Statements for the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (cont.)

Based on the company's assessment, the company's existing revenue recognition practices prior to the adoption of the new revenue recognition standard are broadly already in line with the AASB 15 and AASB 1058. In addition to this, the assessment further indicates that the impact of adopting the new standards is immaterial to the financial statement. Therefore, no adjustment was made to the opening retained earnings as at 1 January 2019 as a result of the adoption AASB 15 and AASB 1058.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in the below section.

Overview of AASB 15 and AASB 1058

Under the new income recognition model applicable to not-for-profit entities, the company shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the company applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the company will then consider whether AASB 1058 applies.

The company has assessed the implications of adopting AASB 15 and AASB 1058 and concluded that there is no impact to the financial statement line items for the year ended 31 December 2019 as a result of the adoption of these new revenue recognition standards. Therefore, a comparative on amounts prepared under AASB 15 and AASB 1058 and if the standards had not been adopted is not provided.

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

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

AASB 17 Insurance Contracts

Applicable date: 1 January 2021

The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.

Impact on entity financial statements

The assessment has indicated that there will be no significant impact for the company.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material

Applicable date: 1 January 2020

This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

Impact on entity financial statements

The assessment has indicated that there will be no significant impact for the company.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on entity reporting.

- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Return
- AASB 2019-4 Amendments to Australian Accounting Standards - Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements
- AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of new IFRS Standards Not Yet Issued in Australia
- AASB 2019-7 Amendments to Australian Accounting Standards - Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations

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

(s) Australian Accounting Standards issued and adopted early

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

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 3: Income and Expenditure from Continuing Operations

3.1 Revenue from continuing operations

	2019	2018
	\$	\$
Revenue from operating activities		
Fees and charges	2,555,149	2,485,914
Donations, scholarships and sponsorships	4,225	-
Other operating receipts	1,135,583	1,099,626
	<u>3,694,957</u>	<u>3,585,540</u>
Revenue from non-operating activities		
Unrealised gain on financial assets at fair value through profit and loss	736,471	-
Interest	25,928	28,162
Dividend	296,440	311,078
Total investment revenue	<u>1,058,839</u>	<u>339,240</u>
Total revenue from continuing operations	<u>4,753,796</u>	<u>3,924,780</u>
Other income		
Gain on sale of plant and equipment	-	60,455
	<u>-</u>	<u>60,455</u>
Total income from continuing operations	<u>4,753,796</u>	<u>3,985,235</u>

3.2 Expenses

(a) Employee Benefits		
Salaries	1,892,101	1,732,788
Superannuation	260,705	228,578
Payroll tax	102,661	100,696
Annual leave	81,308	64,286
Long service leave	85,064	31,591
Parental leave	23,238	22,728
Total employee benefits	<u>2,445,077</u>	<u>2,180,667</u>
Other employee related costs		
Work cover	18,982	18,619
Total employee expenses	<u>2,464,059</u>	<u>2,199,286</u>
(b) Depreciation of Plant and Equipment		
Equipment	11,795	13,147
Total depreciation expense	<u>11,795</u>	<u>13,147</u>
(c) Repairs and Maintenance		
Repairs and maintenance	6,091	20,739
Total Repairs and maintenance expense	<u>6,091</u>	<u>20,739</u>
(d) Other Expenditure		
Sporting facilities for students (HALC)	114,835	120,218
Professional fees	370,058	232,302
Travel	112,737	86,709
Marketing and promotion	151,589	151,475
Student functions and catering	184,144	314,915
Scholarships	11,096	134,093
Unrealised loss on financial assets at fair value through profit and loss	-	303,974
Consumables	14,993	48,870
Non-capitalised equipment	45,234	146,312
Other expenditure	239,693	168,720
Total of other expenditure	<u>1,244,379</u>	<u>1,707,588</u>
(e) Audit Fee		
Victorian Auditor-General's Office	11,000	10,700
Total audit fee	<u>11,000</u>	<u>10,700</u>

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 4: Other Current Assets	2019	2018
	\$	\$
Accrued income	63,967	41,135
Prepayments	6,585	6,100
Inter-entity loan receivable*	2,242,023	2,037,645
Total other current assets	2,312,575	2,084,880

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

Note 5: Plant and Equipment	2019	2018
	\$	\$
Equipment - at fair value	62,336	46,079
Less accumulated depreciation	(27,153)	(15,358)
Total Plant and Equipment	35,183	30,721

(a) Movements in carrying amounts

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

	Equipment
	\$
Year ended 31 December 2019	
Opening net book amount	30,721
Disposals	-
Additions	16,257
Depreciation	(11,795)
Closing net book amount	<u>35,183</u>

At 1 January 2019	
At fair value	46,079
Accumulated depreciation and impairment	(15,358)
Net book amount	<u>30,721</u>

At 31 December 2019	
At fair value	62,336
Accumulated depreciation	(27,153)
Net book amount	<u>35,183</u>

	Equipment
	\$
Year ended 31 December 2018	
Opening net book amount	46,522
Additions	8,850
Disposals	(11,504)
Depreciation	(13,147)
Closing net book amount	<u>30,721</u>

At 1 January 2018	
At fair value	139,203
Accumulated depreciation and impairment	(92,681)
Net book amount	<u>46,522</u>

At 31 December 2018	
At fair value	46,079
Accumulated depreciation	(15,358)
Net book amount	<u>30,721</u>

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
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Notes to the Financial Statements for the Year Ended 31 December 2019

Note 6: Employee Benefits	2019	2018
	\$	\$
Current		
Annual leave	104,169	92,732
Long service leave	16,338	-
Total Current	<u>120,507</u>	<u>92,732</u>
Non-Current		
Long service leave	86,094	56,914
Total Non-Current	<u>86,094</u>	<u>56,914</u>
Aggregate carrying amount		
Current	120,507	92,732
Non-current	86,094	56,914
Total Employee Benefits	<u>206,601</u>	<u>149,646</u>
Current Provisions expected to be settled within 12 months		
Annual leave	84,820	75,564
Long service leave	1,144	-
	<u>85,964</u>	<u>75,564</u>
Current Provisions expected to be settled after 12 months		
Annual leave	19,349	17,168
Long service leave	15,194	-
	<u>34,543</u>	<u>17,168</u>
The following assumptions were adopted in measuring the present value of long service leave entitlements:		
Weighted average increase in employee costs	2.00%	2.00%
Weighted average discount rates	1.39%	2.33%
Note 7: Other Current Liabilities	2019	2018
	\$	\$
Sundry creditors	122,897	10,700
Accrued salaries	57,901	43,372
	<u>180,798</u>	<u>54,072</u>
Note 8: Retained Earnings	2019	2018
	\$	\$
Retained earnings at 1 January	8,520,765	8,486,991
Net result for the year	1,016,472	33,774
Retained earnings at 31 December	<u>9,537,237</u>	<u>8,520,765</u>

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
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Notes to the Financial Statements for the Year Ended 31 December 2019

Note 9: Reserves

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

Note 10: Segment Information

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

Note 11: Company Structure

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

Note 12: Related Party Disclosures

(a) Directors

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

Ms Jane Ward (Executive Chair) - Term ended 31/12/2019
 Ms Sarah Graham - Term ended 13/09/2019
 Professor Glen Bates - Term ended 23/03/2019
 Ms Sharon Rice
 Dr Andrew J Smith
 Ms Sarah Maddison - Term commenced 22/03/2019
 Ms Angela Carbone - Term commenced 02/12/2019
 Ms Syeda Zehra (PAVE student) - Term from 01/01/2019 to 30/09/2019
 Mr Qasim Rehman (Undergraduate student) - Term ended 31/12/2019
 Mr Abdul Rehman Khan (Postgraduate student) - Term commenced 01/01/2019
 Ms Amber Truong (International student) - Term from 14/09/2019 to 31/12/2019

During the year Ms Jane Ward (Executive Chair) announced that she will be resigning as Board Chair of the Swinburne Student Amenities Association Ltd as of 31 December 2019. A replacement for Ms Jane Ward is Dr Andrew J Smith.

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

Income bands:

	Total Remuneration	
	2019	2018
	Number	
Nil to \$9,999	4	5
\$10,000 to \$19,999	1	-
\$210,000 to \$219,999	1	-
\$250,000 to \$259,999	1	1
\$280,000 to \$289,000	1	-
\$290,000 to \$299,000	-	1
\$360,000 to \$369,999	-	1
\$370,000 to \$379,999	1	-
\$480,000 to \$489,999	-	1
\$490,000 to \$499,999	-	1
\$510,000 to \$519,999	1	-
\$770,000 to \$779,999	1	-
	11	10
Total Annualised Employee Equivalent (AEE)	5.0	5.0

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 12: Related Party Disclosures (contd.)

(b) Minister

The responsible Minister, Minister for Training and Skills and Minister for Higher Education, during the year ended 31 December 2019 was: Hon. Gayle Tierney MLC, Minister for Training and Skills and Minister for Higher Education.

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

(c) Executive officers' remuneration

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

Income bands:	Total Remuneration	
	2019	2018
	Number	
\$480,000 to \$489,999	-	1
\$770,000 to \$779,999	1	-
	<u>1</u>	<u>1</u>
Total Annualised Employee Equivalent (AEE)	1.0	1.0

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

(d) Key management personnel

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

	Total Remuneration	
	2019	2018
	\$	\$
Short-term employee benefits	1,864,126	1,622,854
Post-employment benefits	263,434	235,545
Long-term benefits	41,726	33,850
Termination benefits	263,034	-
Total remuneration	<u>2,432,320</u>	<u>1,892,249</u>

The above disclosure includes the total remuneration received by each responsible persons for the year ended 2019. No allocation has been made to apportion the responsible persons remuneration for their contribution as a director of the company. The payment of the remuneration is made by the parent company Swinburne University of Technology.

(e) Retirement benefits of responsible persons

The retirement benefits paid by the entity in connection with the retirement of responsible persons of the company amounted to nil (2018: nil).

(f) Related party transactions

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

	2019	2018
	\$	\$
Income received from Swinburne University of Technology	17,678	16,674
Expenditure paid to Swinburne University of Technology	75,566	30,990

(g) Ultimate parent entity

The ultimate parent entity is Swinburne University of Technology.

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 13: Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities

		2019	2018
	Notes	\$	\$
Net result for the year		1,016,472	33,774
Add/(less) Non-Cash Flows in Net Operating Result			
Depreciation	3.2(b)	11,795	13,147
Dividend revenue - reinvested into Mercer		(231,522)	(328,229)
Unrealised (gain)/loss on financial assets at fair value through profit and loss		(736,471)	303,974
Gain on sale of plant and equipment		-	(60,455)
Changes in Assets and Liabilities			
Decrease/(increase) in other current assets		(243,955)	51,067
(Decrease)/increase in other current liabilities		126,726	(9,040)
(Decrease)/increase in employee benefits	6	56,955	(4,239)
Net Cash Flows from Operating Activities		<u>-</u>	<u>-</u>

Note 14: Contingent Assets and Contingent Liabilities

There are no contingent assets or contingent liabilities as at 31 December 2019 (2018: nil).

Note 15: Commitments

There are no capital, operating or other outsourcing commitments as at 31 December 2019 (2018: nil).

Note 16: Financial Assets

		2019	2018
		\$	\$
Balance at 1 January		6,608,884	6,584,627
Transfer from parent		170	-
Distribution reinvestments		231,352	328,229
Unrealised gain/(loss) on financial assets at fair value through profit and loss		736,471	(303,974)
Balance at 31 December		<u>7,576,878</u>	<u>6,608,884</u>
Listed securities			
Units in Unit Trust		<u>7,576,878</u>	<u>6,608,884</u>
		7,576,878	6,608,884

Note 17: Superannuation Funds

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

Employee contributions were 17% in 2019 (2018: 17%). In 2019 contributions made were \$260,705 (2018: \$228,578).

No employee contributions were outstanding as at 31 December 2019 (2018: nil).

Note 18: Company Details

The registered office of Swinburne Student Amenities Association is:

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

Note 19: Events Occurring after Balance Date

Impact of Coronavirus (COVID-19)

On January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. This event will have an impact on the financial performance and liquidity of the University in 2020 to which the company is financially dependent on.

The length and extent of the spread of the virus and actions being undertaken by both the Australian Federal and State Governments will continue to determine the scale of the impact on the finances of the entity.

To the date of writing this report, there continues to be significant uncertainty surrounding the potential financial impact of this event and the government's response to this, arising from the following elements:

- the uncertainty inherent in determining the number of students who will not be able to or choose not to participate in their enrolled subjects during 2020; and
- the positions taken by global governments on worldwide travel restrictions, large gatherings and potential closure of all University campuses.

This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the entity at this time.

The University and the company are actively managing this developing situation and will continue to monitor the non-financial and financial impacts of COVID-19 on its operations, and has put in place various mitigation strategies that will ensure we will remain a going concern for at least the next 12 months. Measures being taken include:

- reducing discretionary spending; and
- implementing additional controls to encourage leave and consider recruitment.

The company also notes the significant volatility in financial markets as a result of the COVID-19 outbreak. The company has exposure to financial market risks and an assessment of the potential impact arising from the exposures is detailed in Note 21 Financial risk management.

The financial statements have been prepared based upon conditions existing at 31 December 2019, and considering those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and as such, no adjustments have been made to the financial statement balances as at 31 December 2019 for the impacts of COVID-19.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Note 20: Economic Dependency

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

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 21: Financial Risk Management Objectives and Policies

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

(a) Financial Risk Management Objectives and Policies

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

Recognised financial instruments	Note	Accounting policies	Terms and conditions
Listed Financial Assets	16	Shares in corporations are carried at fair value. Dividends are recognised as income when received and changes in fair value are recognised in the Income Statement under the Fair Value through Profit and Loss (FVTPL) method.	Shares in corporations are listed on Australian and International Stock Exchanges. Dividends are dependent on resolutions of the Directors of the corporations concerned.

(b) Market Risk

(i) Interest rate risk

The company does not undertake any activities that exposes it to interest rate risk.

(ii) Equity Market risk

The company is exposed to equity securities price risk because of long term investments held within the managed portfolio which is further diversified by the spread of equity holdings.

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

(iii) Foreign Exchange risk

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

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the entity. Other than an intercompany receivable from Swinburne University, the entity does not have any exposure to any individual counterparty or major concentrations of credit risk that arise from the entity's financial instruments.

(d) Liquidity Risk

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

SWINBURNE STUDENT AMENITIES ASSOCIATION LTD
ABN 35 117 060 232
Notes to the Financial Statements for the Year Ended 31 December 2019

Note 21: Financial Risk Management Objectives and Policies (cont.)

Maturity analysis of financial liabilities

2019 Other Current Liabilities	Carrying Amount \$	Nominal Amount \$
Sundry creditors	122,897	122,897
Accrued salaries	57,901	57,901
Total	180,798	180,798

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

2019 Other Current Liabilities	Maturity Dates			Total \$
	less than 30 days \$	30 days \$	30-60 days \$	
Sundry creditors	-	122,897	-	122,897
Accrued salaries	57,901	-	-	57,901
Total	57,901	122,897	-	180,798

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

(e) Summarised sensitivity analysis (2019)

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

	Carrying amount \$	Equity risk			
		-10%		10%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Listed financial assets	7,576,878	(757,688)	(757,688)	757,688	757,688
Total increase/(decrease)		(757,688)	(757,688)	757,688	757,688

Summarised sensitivity analysis (2018)

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

	Carrying amount \$	Equity risk			
		-10%		10%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Listed financial assets	6,608,884	(660,888)	(660,888)	660,888	660,888
Total increase/(decrease)		(660,888)	(660,888)	660,888	660,888

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 22: Fair Value Measurements

a) Fair Value Measurements

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

- Listed financial assets

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

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

Note	Carrying Amount		Fair Value		
	2019 \$	2018 \$	2019 \$	2018 \$	
Financial Assets					
Receivables	4	2,312,575	2,084,880	2,312,575	2,084,880
Listed financial assets	16	7,576,878	6,608,884	7,576,878	6,608,884
Total Financial Assets		9,889,453	8,693,764	9,889,453	8,693,764
Financial Liabilities					
Other current liabilities	7	180,798	54,072	180,798	54,072
Total Financial Liabilities		180,798	54,072	180,798	54,072

b) Fair Value Measurement Hierarchy

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

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

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

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

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

Recognising fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2019.

Recurring Fair Value Measurements

Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2019				
Financial Assets				
Listed financial assets	16	7,576,878	-	7,576,878
		7,576,878	-	7,576,878
31 December 2018				
Financial Assets				
Listed financial assets	16	6,608,884	-	6,608,884
		6,608,884	-	6,608,884

Notes to the Financial Statements for the Year Ended 31 December 2019

Note 22: Fair Value Measurements (cont.)

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, trading and listed securities) is based on quoted market prices for identical assets or liabilities at the Statement of financial position date (Level 1). This is the most representative of fair value in the circumstances.

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

Recurring fair value measurements

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

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

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

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

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