



UNIVERSITY OF SYDNEY UNION
Enriching the student experience
since 1874

2007 Annual Report UNIVERSITY OF SYDNEY UNION

ABN 73 818 179 759

Holme Building
The University of Sydney
NSW 2006

P 1800 013 201

E info@usu.usyd.edu.au

W www.usuonline.com

Contents



- 04 Board and Management
- 06 President's Report
- 08 CEO's Report
- 10 Facts and Figures
- 13 Financial Report



Board Members



Rose Khalilzadeh
President



Ros Stein
Vice-President



Tom Kavanagh
Honorary Treasurer



Mark Tanner
Honorary Secretary



Dave Burnett
Director



Alice Dixon
Director



Justin Hancock
Director



Vyvyan Nickels
Director



Ruchir Punjabi
Director



Abi Shead
Director



Danielle Tuazon
Director



Katy Fernandez
Immediate Past President



Ms Kaye Dening AM
Senate Representative



Mr Sam Weiss
Senate Representative

Management Team

Adrian Cornish Director Finance and Business Systems

Sandra Hardy Director Human Resource Management

Alistair Cowie Director Student Programmes

Paul McJannett CEO

Rosemary Marin Director Sales & Marketing – The Venue Collection

Claudia Crosariol Director Marketing

George Livery Director Operations

Anne Leung Special Events Manager (currently on maternity leave)



President's Report

On behalf of the Board of Directors, welcome to the 2007 Annual Report for the University of Sydney Union.

This year has been one of incredible change. This vibrant, diverse and active organisation has moved forward at immense pace in the face of the adversity brought about by Voluntary Student Unionism (VSU). This legislative attack on the student experience at Australian universities left USU in a position to either take the red pen to the organisation, or to find creative and innovative ways to tackle the problem. I am proud to say that, in 2007, the USU Board of Directors chose the latter direction, continuing to challenge itself to reach new heights, form new relationships and serve the students at this University with the best possible programs, activities and services.

The Board of Directors continue to demonstrate that student control of student affairs is the only way USU remains strong, relevant and active. The survival of USU is testament to the Board's forward-thinking approach and enthusiasm to govern the organisation by students, for students. USU is proud to be one of the only student organisations in the country that is independent and student-controlled, which is integral to our continued engagement of students and sustainability. VSU has placed significant pressure on the Board to be savvy, to think outside the square, to challenge the status quo, to think well beyond their term and to, most importantly, listen to students.

2007 has brought many great achievements by talented students within USU programs and activities. USU continues to showcase a diverse range of student programs, ranging from the community outreach School Tutoring Program (STP), to increased leadership training for Clubs and Societies, to leadership opportunities as Convenors. USU debaters are ranked first in the world intervarsity rankings, hundreds of students participated in the Justice Kirby Plain Speaking Competition, Commemoration Day ('Sounds in the Grounds') was reinvigorated and reached record numbers, Clubs and Societies are more active than ever and both O-Week and Verge soared to bigger and better heights. The vast array of students' talents, ideas, skills and projects continue to grow and flourish within the university community, with programs such as the newly established GoodDeeds Fund enabling resources to be at the hands of these active, creative students. USU has also expanded its partnerships with groups that grew from USU programs, such as the Australian Indigenous Mentoring Program (AIME), Bambina Borracha and The Delusionists. USU also welcomed the Sydney College of the Arts (SCA) as a new Faculty Club, Sydney College of the Arts Students' Society (SCASS). This club has gained significant membership and is actively contributing to the lives of SCASS members and other students. We are proud to have extended our resources to more students at affiliated sites. These are just a few of the many achievements that have made 2007 a diverse, dynamic year for USU.

USU has also reinvigorated student space through refurbishment of Manning House and the purchase of feature artwork, *Itinerary/Itinerant* by Louisa Dawson, which hangs through the void in Manning. USU is also making exciting plans for new space in the Sydney Central Building, located next to the Wentworth Building, which will reinvigorate the Darlington Campus with more student space, food and beverage outlets and performance areas, under the care and control of USU.

As a result of VSU, this organisation has formed stronger ties with The University of Sydney throughout 2007. The most significant symbol of this newfound position within the University community came with the signing of a Heads of Agreement between the University and USU. This was to recognise the "long history of cooperation and commitment to working together for the betterment of the student experience for students of the University" and "to work together to support, house and develop



programs that continue to enrich the student experience at the University." This agreement demonstrated a respect for the value of USU and the contribution made by this organisation to the lives of students past, present and future.

In 2007, USU awarded Honorary Life Membership to two distinguished leaders of the University: Vice Chancellor, Professor Gavin Brown and former Chancellor, Justice Kim Santow. The Board express its sorrow and condolences to the family of the late Justice Santow, who passed away April 2008. Justice Santow was a valued friend of USU for many years and a great supporter of this organisation. USU will also farewell Vice Chancellor Professor Gavin Brown upon retirement in mid 2008. On behalf of the Board, I would like to thank the Vice Chancellor for his support for student organisations and for recognising the strength in organisations that are independent and student-controlled.

Membership levels remain strong through sales of the Access Card. The Board have supported a significant cultural change in USU membership, having successfully prioritised an increased focus upon the all-rounded student experience and a USU community, rather than solely the tangible benefits of the Access Benefits Program. This has aligned the key attributes of membership with what has been the core objective of this organisation since its inception 1874, which is to provide an accessible university community in which students can learn, network, thrive and truly enjoy their time at this fine institution.

Along with a membership scheme and the strengthening of USU's presence within the University community, we were proud to enact a venue management agreement in an effort to find innovative solutions to the detriment caused by VSU. This saw the expansion of The Venue Collection (TVC) to University of Sydney Venue Collection (USVC). This has arisen as a consequence of over 18 months' of negotiation and planning. This opportunity will bring a strong revenue stream to USU and will also give clubs and societies greater access to venues across the University. Thanks must go to the Director of USVC, Rosemary Marin, for her work on this new development.

Independent of this, USU has made significant improvements in its operating position despite the detrimental impact of the loss of compulsory fees. Expenses have swiftly, but strategically, been pared down by almost \$4M over the year whilst simultaneously maintaining and strengthening many programs. This position continues to improve with the steady securing of funding from the University for 2007 student experience costs in addition to a strengthened shared services portfolio that sees the University bearing the increasing cost of operational liabilities previously borne by USU. These efficiencies endeavour to support USU's back-of-house operations whilst maintaining student programs, independence and student control of the organisation.

The USU now has the opportunity to strengthen its position in two ways. Firstly, 2007 has seen the solidifying of financial support from the University both on operational aspects and student experience program costs, expansion into new business opportunities to support our core business as well as our mission for financial sustainability, movement of significant capital costs to the University and, consequently, a more stable outlook on the future of this organisation. The opportunity cost of reaching this level of stability has been high to the Board and Management. This now means that the Board can focus more energy on refining, reviewing, initiating and strengthening our current programs and services to the student body and University community, giving USU a greater chance at remaining relevant, diverse and fun.

The second opportunity lies in the new Government's commitment to recognising the value of student organisations

across the country and to mitigate the detrimental impact caused by the VSU legislation. In early March, the office of the Minister for Youth took submissions from students and student organisations across Australia to determine the impact of VSU. At the time of publishing this report, the Minister for Youth is reviewing these submissions and determining an appropriate model to cater for the diverse statuses of Australian student organisations. This is the start of an ongoing process to find an equitable solution that ensures the sustainability of student organisations and, more specifically for the USU, the opportunity to support our capital and infrastructure needs in addition to our student programs and services. I am proud to see the beginnings of the recognition that student organisations deserve for being integral to the education, wellbeing and empowerment of students in higher education across the country.

Sadly, USU lost a valued colleague and friend in 2008: Board Director Dave Burnett. Dave was a visionary, charismatic and enthusiastic member of the Board. He bubbled with new ideas, creative ways of thinking and, most importantly, the passion for getting more students involved in everything that USU has to offer. He was a great leader and an inspiration to many. He will be sorely missed and we will never forget his energy, sense of humour and passion for USU.

Thank you to the Board of Directors for continually challenging this organisation to extend its reach further, to be more relevant to students and for ensuring that USU flourishes in a post-VSU environment. Endless thanks must go to the CEO and his management team for their invaluable work enacting the directions of the Board and for always putting the students, and the student experience, as the top priority. Thanks must also go to the University for their valuing of the USU's independence, to SRC and SUPRA for combining efforts in leading the way for the best interests of students and to the Foundation for their valuable advice and guidance. The Chancellor has also been instrumental to the survival of USU and has led the University with a prevailing sense of respect for students and student organisations. The Board also continue to value the advice and business nous provided by our two Senate-appointed representatives, Kaye Dening and Sam Weiss. Their service to this organisation has been tremendous and their advocacy for USU's continued survival has been integral to USU's future in this post-VSU environment.

Most importantly, thank you to all the students who have engaged with USU – Convenors, Directors, Editors, Club Presidents, artists, musicians, debaters and many more – for keeping the USU active, vibrant, engaging and leading the way in demonstrating the value of an all-rounded student experience. These students keep the Board and Management continually inspired to continue to pursue bigger and better ways through which students can express, create, learn and have fun.

It has been an honour and a privilege to serve as the President of the University of Sydney Union in 2007.

Rose Khalilzadeh
President



CEO's Report

Introduction

At the close of 2006 the University of Sydney Union Directors foreshadowed the priorities for the forthcoming year. They were for the first time to attract voluntary subscriptions for USU Membership, to enhance our commercial programs and services for the entire University community and most importantly to continue to deliver a world class University experience for students at the University. During 2007 USU focused on these objectives at the same time delivering strong financial results.'

The Higher Education Support Amendment Act 2005 (Abolition of compulsory upfront Student Union Fees) came into full effect at The University of Sydney during 2007. The "Act" resulted in the loss of \$8.4m in fees to USU.

Operating revenue of \$16.9M (\$23.9M in 2006 including \$7.9M in fees) produced an operating result of -\$295k (\$2.7M in 2006)

Financial results without compulsory fees.

EBITDA 2005 (\$7.3 M)

EBITDA 2006 (\$5.5 M)

EBITDA 2007 (\$3.6 M)

These financial results were achieved without any substantial decrease in the student experience programs produced by USU throughout 2007. The University contributed \$3.1M in property costs, \$811K in Capital funding for the refurbishment of a number of USU controlled premises and \$534K in extra student experience funding.

Membership

USU exceeded its membership expectations and 8,348 students and staff were members for 2007. The members were offered an integrated value added range of on and off campus benefits combined with reciprocal funding of their chosen Club or Society on campus. This arrangement brought together USU's public good programs and our commercial operations enabling the continuation of administration efficiencies and a comprehensive offer of benefits to the University community.

The success of this membership initiative should continue the work of the last four years in formulating a sustainable voluntary membership model.

Student Experience Programs

In spite of Voluntary Student Unionism, USU was determined to continue to offer a rich array of programs and services supporting the strategic goal of the University "The Student Experience". The USU Debating team of Julia Bowes and Anna Garcia won in the World University Championships in Vancouver Canada and for the first time in many years The University of Sydney is ranked 1st in the world.

Our Debating programs and the USU Debating Society continues to expand its development and training opportunities for students and further promote a number of high profile events on campus. 2007 witnessed the inaugural Justice Michael Kirby Plain Speaking Award.

USU continues to provide scholarships, grants and prizes in literature, debating, photography, film, drama, philanthropic works, music and art.

Our Clubs and Societies executives played a pivotal role in securing members for USU and thousands of hours of voluntary work was put in by many students supporting Club activities. The co-operation and support of the 200 Clubs and Societies in supporting changes to the USU membership structure was a major factor in the success of the new membership model.

The USU Revue season saw a record seven faculties produce revues in the Seymour Centre with the Arts Revue taking out "Best Revue" for 2007. Three revues participated in both the Melbourne and Sydney Comedy Festivals.

USU's extensive leadership and volunteer programs continued around three distinct areas the School Tutoring Program for disadvantaged local school students and the Student Point of Contact (SPOC) during Orientation Week. USU also operates the Australia Discussion Group Program to help international students cope with the difficulties of living and studying aboard

Our first major student experience event is the Orientation Week festival, a three-day student event that included our first major membership drive. The success of the festival and the surge of memberships over the three days inspired staff who had worked hard over the previous 12 months in planning both the festival and the membership strategy.

In second semester Verge Arts Festival brought together the talents and enthusiasm of our diverse campus artistic communities and was a major supporter of students studying at the Sydney College of Arts.

Two new initiatives were completed in the Student Experience Program area for 2007.

USU, in conjunction with the executive of the Student Association of the Sydney College of the Arts sort ways to provide for the continuation of extracurricular activities at SCA. At the close of 2007, SASCA reformed as a Faculty Club of the USU. This new initiative will be monitored throughout 2008 for its effectiveness.

The second new initiative was developed out of the demand for USU to seek a long term position with regard to its own sponsorship activities. Direct financial positions were established with two artistic groups; Bambina Borracha and The Delusionists.

Further expansion of these types of investments have been foreshadowed by the Directors enabling USU to establish a reputation for artistic support on campus and throughout the artistic community.

USU Commercial Business Units

Significant developments occurred throughout 2007 in the business areas of Retail, including the establishment of an online store. On campus catering witnessed significant product range expansion. At the close of 2007 in principal agreement was reached with the University to form a joint venture for the management of all major venues on Campus. The University of Sydney Venue Collection (USVC) will provide USU with one of the best opportunities on campus for additional income to replace the loss of student fees.

Property and Facilities

USU appointed Property consultants, Fusion Property Partners, to start the process to develop the USYD Central Plaza and the 6 retail opportunities contained within. The Carson Project Management group completed a feasibility study for a \$20 M redevelopment of the Wentworth Building and further consultation with the University will occur over the next 18 months to realise this important development.

Marketing and Event Management

During 2007 USU established new staff positions in Event management to coordinate its contributions to the University major events throughout the year. New relationships were formed with the new Marketing staff of the University that

should provide assistance to USU in the future, particularly for its membership drives and ensuring students are aware of all the student experience programs.

Planning and Corporate Support

The Directors approved a business plan for the period 2008 to 2010 that significantly aligned USU outcomes with the University's strategic plan. All USU departments wrote performance plans for their respective parts of the Business Plan. USU continued to be served well by a number of corporate departments including Finance, HR and Information Technology.

Stakeholder Relationships

The University

Considerable time was invested by the Directors and management to form a collaborative working relationship with the University and in particular the University Community portfolio.

New formal committees were established including the USU / University Steering Group, the Senate / Student Liaison committee and the Management / Student Liaison Committee with mixed results. The USU / University Steering Committee became the key issue solution forum in USU seeking to communicate its position to the University.

Other Student Associations

Directors and senior staff worked throughout the year to strengthen our partnership relations with Sydney University Sport, the SRC and SUPRA.

The University of Sydney Foundation

The University of Sydney Union Foundation launched 2007 with the second occurrence of The Annual Back to Holme Reunion. This event is a unique opportunity for USU members, past and present, to meet, converse and celebrate the cultural achievements of the USU community. Attendees at this event represent a broad cross section of key stakeholders from the USU, University, and wider community. 'Back to Holme' is central to the Foundation's mission to develop and build the sense of continuity that extends between the current student experience and alumni of the USU.

The Foundation continued to strengthen its relationship with the with the University, particularly the Community Portfolio. In conjunction with USU and the University, the Foundation undertook a review of its governance structure and strategic plan with the view to further capitalising (both in the socio-political and economic sense) on the potential for growth in the areas of alumni relations and philanthropy. The Foundation continued its exemplary mentoring and leadership program through which it recognises and encourages qualities of personal excellence and community responsibility. I thank the Foundation executive and the President of the Foundation, Mr Damian Furlong, for their passion and commitment over the last 12 months.

Formal Relationships with the University

In an era of uncertainty following VSU, the achievements of the USU in the area of establishing formal links with the University is impressive. Firstly a Heads of Agreement was signed in December and agreement in principal was reached for a joint venture on Venues (confirmed in early 2008). Significant completion of both the Service Level Agreement and the Occupation License was completed in 2007.

Governance and our Directors

The Board was well served by both the 2006/ 7 and 2007/ 8 executives. On behalf of my staff colleagues, I thank our two Presidents during 2007; Katy Fernandez and Rose Khalilzadeh, for their immense commitment to USU. USU continues to be fortunate in having the brightest and best Sydney University students sit on our Board.

Sadly Dave Burnett one of our first year Directors passed away in January, 2008 and our condolences go out to his family and friends.

Two new Senate appointed representatives were appointed at the start of 2007; Ms Kaye Denning AM and Mr Sam Weiss, brought an entirely new business and experience element to USU. I also thank them for their personal contribution particularly in relation to the University negotiations.

Honorary Life Membership and the Chancellor and Vice Chancellor

The Board conferred Honorary life membership on the outgoing Chancellor Justice Kim Santow and the Vice Chancellor Professor Gavin Brown. Both these men in their own separate ways have given USU a life after Voluntary Student Unionism and their awards were a fitting tribute. Sadly Justice Santow passed away in April 2008 and our condolences go out to his wife Lee and his family.

Special thanks must go to the new Chancellor Marie Bashir who has contributed significantly to our endeavours in the last part of 2007.

Our Staff

USU have continued to secure the services of a number of high quality staff in some critical areas of our operations. I thank the members of the executive team, the key program drivers and all staff for their commitment to the task at hand.

Outlook

The outlook politically for USU is very good with the new Rudd Labor Government instigating a review of the VSU Legislation. Importantly, USU has, with the cooperation of the University, taken giant strides to solve the medium term funding crisis resulting from VSU.

There still remains significant challenges for USU to find long term solutions to its capital needs and there is considerable opportunity and scope for USU to reach out to student groups on campus including postgraduates, undergraduates internationals etc.

Importantly, in strong comparison to similar institutions at other universities around the country, USU has succeeded in maintaining its student focused independence in spite of the profound effects of the loss of compulsory fees. After fighting for our survival for the last two years, plans are being made to secure the long term future of USU.

In 2007 USU witnessed an incredibly strong financial result combined with an entirely new membership strategy. Significant positioning was established with the University, and with a change of government, opportunities continue to present themselves for USU.



Paul McJannett
CEO



50 bands entered the USU Band Competition.



USU received 277 entries for the Art, Photo & Literature Prize.

11,576 manila folders were sold through the Wentworth Campus Store and Footbridge Station.



In 2007, 550 student volunteers have donated close to 9,000 face-to-face hours through six USU volunteer programs.



Our USU Fairies handed out 1,050 free gifts to students in 2007.

27 Editions of student edited magazine, *The Bull* were produced.

166 BBQs were held by registered USU Clubs & Societies.



Over 200 bands played at Manning Bar in 2007.

USU were crowned victors at
Worlds University Debating Championships.



In 2007 there were
**197 registered USU
Clubs & Societies.**



2,900 people
attended the
Sounds in the Grounds
event featuring Gotye.



USU ranked number
one in World University
debating tables.



**30 new Clubs were
started** as part of USU's
Clubs & Societies Program.



USU granted \$15,050
to student projects
through its Cash for Art
Program in 2007.

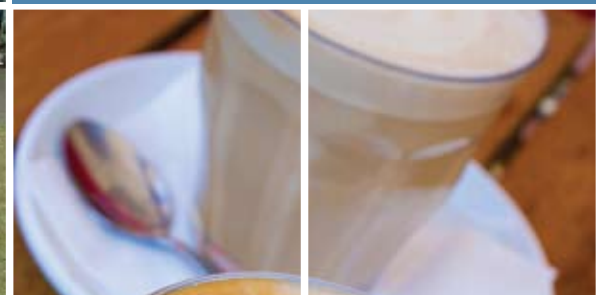


2,950 people attended USU's summer party Beachball.

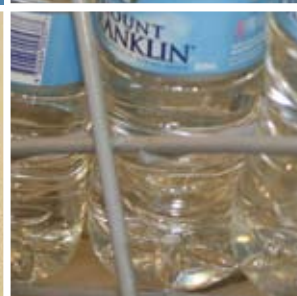
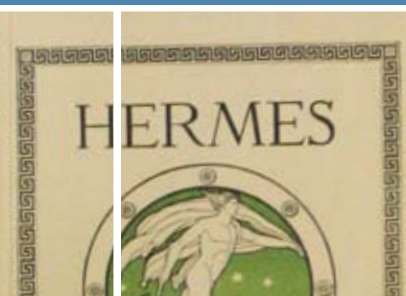


In 2007, USU supported eight Faculty Revues. There were 25 performances over the Revues Season.

USU's Clubs & Societies Office gave **\$221,925** worth of funding.

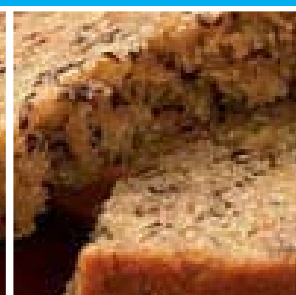


163,261 bottles of water were sold through USU outlets.

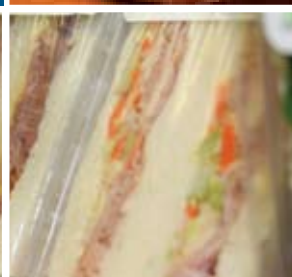


21,478 FREE cups of coffee were given out via our loyalty card.

88 creative pieces were published in the palindrome edition of *Hermes*, USU's literary journal.



Over 138,700 pre-made sandwiches were sold to hungry students through USU Outlets



28,172 slices of banana bread were sold through USU catering outlets.



- 14 Directors' Report
- 16 Auditors' Independence Declaration
- 17 Income Statement
- 18 Balance Sheet
- 19 Statement of Changes in Equity
- 20 Cash Flow Statement
- 21 Notes to the Financial Statements
- 32 Directors' Declaration
- 33 Independent Audit Report



Directors' Report

The Board of Directors present their report for The University of Sydney Union (The Union) for the year ended 31st December 2007.

The names of the directors in office at any time during or since the end of the year are:

Amit Singh	Retired	30/6/07
Associate Professor		
Anthony Masters	Retired	1/1/07
Merrilee Robb	Retired	1/1/07
Jackson Fann	Retired	30/6/07
Katy Fernandez	Immediate Past President	
Simon Fontana	Retired	30/6/07
Lauren Hendry Parsons	Retired	30/6/07
James Hoare	Retired	30/6/07
Angus McFarland	Retired	30/6/07
Rose Khalilzadeh		
Tom Kavanagh		
Ros Stein		
Mark Tanner		
Danielle Tuazon		
Sam Weiss	Appointed	1/1/07
Kaye Dening AM	Appointed	1/1/07
Dave Burnett	Appointed	1/7/07
Alice Dixon	Appointed	1/7/07
Justin Hancock	Appointed	1/7/07
Vyvyan Nickels	Appointed	1/7/07
Ruchir Punjabi	Appointed	1/7/07
Abi Shead	Appointed	1/7/07

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Attendances at board meetings by the directors during the year are shown in the table below.

	Number of meetings attended	Number of meetings eligible to attend
Amit Singh	4	5
Jackson Fann	3	5
Katy Fernandez	12	12
Simon Fontana	5	5
Lauren Hendry Parsons	5	5
James Hoare	4	5
Angus McFarland	3	5
Rose Khalilzadeh	12	12
Tom Kavanagh	12	12
Ros Stein	12	12
Mark Tanner	12	12
Danielle Tuazon	12	12
Sam Weiss	6	12
Kaye Dening AM	8	12
Dave Burnett	6	7
Alice Dixon	7	7
Justin Hancock	5	7
Vyvyan Nickels	6	7
Ruchir Punjabi	7	7
Abi Shead	7	7



Principal Activities

The principal activities of The Union during the year were the provision of goods, services and amenities to its members and others whom form part of The University of Sydney community.

There have been no significant changes to the nature of those activities during the year.

Financial Results

The operating result of The Union for the year was a deficit of \$295,811 (the 2006 result was a surplus of \$2,710,094).

The net assets of The Union were \$10,935,333 which is a decrease of \$295,811 since December 2006.

Review of Operations

The Union continued to review all of its operations so as to deliver a wide variety of services to its members.

It continued with its strategy of a mix between self managed and tenanted operations .

The Union continued negotiations with The University of Sydney in regards to a service level agreement and received funding in regards to costs associated with public spaces and some student experience programs.

2007 was the first year of selling memberships in place of compulsory fees and in excess of 8,500 Access cards were issued.

Significant Changes in State of Affairs

2007 was the first full year of Voluntary Student Unionism (VSU) where no compulsory fees were collected.

Significant After Balance Date Events

There are no matters or circumstances that have arisen since the end of the year that have significantly affected or may significantly affect the operations of The Union, the results of those operations or the state of affairs of The Union in future years.

Likely Future Developments

Likely future developments have been omitted from the report as the Directors believe that it would result in unreasonable prejudice to The Union.

Director and Officer Insurance

The Union has obtained appropriate insurance in respect of all directors and senior executives against all liabilities to other persons that may arise from their positions as directors or executives, except where the liability arises out of conduct involving a lack of good faith. This insurance is made as part of the total insurance cover The Union has with the University of Sydney.

Auditors Independence Declaration

The auditors independence declaration for the year ended 31 December 2007 has been received and is contained within this report.

Signed in accordance with a resolution of the Board of Directors of The Union, for and on behalf of the directors by:

Rose Khalilizadeh
President

Tom Kavanagh
Honorary Treasurer

Dated at Sydney this 8th day of May 2008



Auditors' Independence Declaration



Chartered Accountants
& Business Advisers

To the Directors of The University of Sydney Union

I declare that to the best of my knowledge and belief, during the year ended 31 December 2007 there have been:

- (a) no contraventions of the auditor independence requirements as required by the Institute of Chartered Accountants in Australia; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF
East Coast Practice

Paul Bull
Partner

Sydney
8 May 2008

4

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

PKF East Coast Practice is a member of PKF Australia Limited a national association of independent chartered accounting and consulting firms each trading as PKF. The East Coast Practice has offices in NSW, Victoria and Brisbane. PKF Australia Limited is a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Liability limited by a scheme approved under Professional Standards Legislation

Income Statement

For The Year Ended 31 December 2007

	Note	2007 \$	2006 \$
Revenue	2	13,918,965	13,221,729
Cost of Sales	4	5,658,282	6,182,195
Gross Profit		8,260,683	7,039,534
Other Revenue	2	3,033,943	10,660,200
Other Income	3	288,324	516,338
EXPENSES			
Staff Costs		8,225,708	8,937,257
Administration Costs		1,279,608	1,145,401
Finance Costs		78,589	54,388
IT Costs		138,257	227,526
Member Costs		499,936	951,777
Operations Costs		485,427	427,034
Property Costs		25,732	2,727,964
Non Operating Costs		995,978	897,083
Internal & Other Costs		149,526	137,548
Total Expenses		11,878,761	15,505,978
(Deficit)/Surplus before Income Tax Expense		(295,811)	2,710,094
Income Tax Expense		0	0
(Deficit)/Surplus for the Year		(295,811)	2,710,094

The accompanying notes form part of these financial statements



Balance Sheet for the year ended 31 December 2007

	Note	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	2,992,093	5,600,268
Trade and Other Receivables	6	3,351,373	1,330,854
Inventories	7	751,174	679,858
Other Financial Assets at Fair Value Through Profit or Loss	8	4,394,049	3,479,287
TOTAL CURRENT ASSETS		11,488,689	11,090,267
NON-CURRENT ASSETS			
Plant and Equipment	10	2,322,860	2,906,973
Available for Sale Financial Assets	9	1,200	1,200
TOTAL NON-CURRENT ASSETS		2,324,060	2,908,173
TOTAL ASSETS		13,812,749	13,998,440
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	11	1,909,734	1,818,653
Provisions	12	849,048	841,163
TOTAL CURRENT LIABILITIES		2,758,782	2,659,816
NON CURRENT LIABILITIES			
Provisions	13	118,634	107,480
TOTAL NON CURRENT LIABILITIES		118,634	107,480
TOTAL LIABILITIES		2,877,416	2,767,296
NET ASSETS		10,935,333	11,231,144
EQUITY			
Reserves		10,935,333	11,231,144
TOTAL EQUITY		10,935,333	11,231,144

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended 31 December 2007

	Retained Earnings	General Reserve (Note 25)	Fixed Asset Replacement Reserve (Note 25)	Total
	\$	\$	\$	\$
Balance at 1 January 2006	0	(936,712)	9,457,762	8,521,050
Surplus for the year	2,710,094	0	0	2,710,094
Transfers to reserves:				
- from retained earnings	(2,710,094)	1,772,244	937,850	0
Balance at 31 December 2006	0	835,532	10,395,612	11,231,144
Deficit for the year	(295,811)	0	0	(295,811)
Transfers to reserves:				
- from retained earnings	295,811	(1,244,506)	948,695	0
Balance at 31 December 2007	0	(408,974)	11,344,307	10,935,333

The accompanying notes form part of these financial statements



Statement of Cash Flow for the year ended 31 December 2007

	Note	2007 \$	2006 \$
Cash Flows from Operating Activities			
Receipts from Customers (inclusive of GST)		22,615,881	16,783,022
Payments to Suppliers and Employees (inclusive of GST)		(23,767,387)	(23,035,948)
Interest Received		191,063	442,941
Dividends Received		154,172	74,570
Finance Costs		(78,589)	(54,388)
Members' Subscriptions Received		0	8,735,802
Net Cash Provided By/(Used in) Operating Activities	14	<u>(884,860)</u>	<u>2,945,999</u>
Cash Flows from Investing Activities			
Payments for Other Financial Assets at Fair Value through Profit or Loss		(495,918)	0
Proceeds from Sale of Plant and Equipment		1,500	56,793
Payments for Plant and Equipment		(1,228,897)	(1,139,515)
Net Cash Provided By/(Used in) Investing Activities		<u>(1,723,315)</u>	<u>(1,082,722)</u>
Cash and Cash Equivalents at the Beginning of the Year		5,600,268	3,736,991
Net Increase / (Decrease) in Cash and Cash Equivalents		<u>(2,608,175)</u>	<u>1,863,277</u>
Cash and Cash Equivalents at the End of the Year	5	<u>2,992,093</u>	<u>5,600,268</u>

The accompanying Notes form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2007

1. Statement Of Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. This financial report covers The University of Sydney Union (The Union) as an individual entity. The financial report is presented in Australian currency. The Union is an unincorporated association domiciled in Australia. A description of the nature of The Union's operations and its principal activities is included in the directors report, which does not form part of this financial report. The financial report was authorised for issue by the directors on 8th May 2008. The Union has the power to amend and reissue the financial report.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report.

The accounting policies have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) Going Concern

The financial report is prepared on the basis that The Union is a going concern. In December 2005 legislation was passed in Federal Parliament restricting the compulsory collection of student union fees. The legislation has had a significant effect on The Union's ability to continue to operate as it has previously. Furthermore, in 1990 The Union assumed from The University of Sydney, responsibility for the construction, maintenance and improvements to its buildings, upon land that is owned by The University.

No provision has been made in this financial report other than a contingent liability note for these liabilities (refer to note 18b).

The directors believe, based on the forecast operating cash flows of The Union and the on-going negotiations with the University of Sydney in relation to future funding arrangements (refer to note 1(o)) that the going concern basis continues to be appropriate.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation, and where applicable has been the subject of impairment testing.

Depreciation is calculated on a straight line basis so as to write off the cost of each depreciable non-current asset over its expected useful life. Depreciation rates used are:

- Plant and Equipment 20% to 33.3%
- Furniture and Fittings 20%
- Motor Vehicles 10% to 25%

(c) Inventories

All inventories are measured at the lower of cost and net realisable value.

(d) Investments and Other Financial Assets

The Union classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale fixed assets.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise investments in listed entities and trusts. The Union designates its investments in these financial assets at fair value through profit or loss as this is consistent with The Union's documented risk management strategy and information about movements is provided on the basis to The Union's key management personnel.

Details of these investments is set out in note 8.

ii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in trade and other receivables (refer to note 1(h) and note 6).

iii) Available for sale financial assets

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. Details of these investments are set out in note 9.

Recognition and derecognition:

Regular purchases and sales of financial assets are recognised on trade date - the date on which The Union commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value



Notes continued

and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from financial assets have expired or have been transferred and The Union has transferred substantially all the risks and rewards of ownership.

Subsequent measurements:

Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Available for sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. The fair value of investments in listed entities and trusts is based on current bid price or redemption price as at balance date. If the market for a financial asset is not active (and for unlisted securities) The Union establishes fair value by using valuation techniques.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Changes in the fair value of available for sale financial assets are recognised in equity.

(e) Employee Benefits

Provision is made for The Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from annual leave and sick leave that are currently payable, have been measured at their nominal amount. Benefits for long service leave are measured at the present value of the estimated future cash outflows in respect of services provided up to balance date. The value of benefits also includes on costs as required.

(f) Leases

A distinction is made between finance leases that effectively transfer from the lessor to the lessee all the risks and benefits incidental to the ownership of leased property, without transferring the legal ownership, and operating leases under which the lessor effectively retains all the risks and benefits.

Where assets are acquired by finance leases, the present value of minimum lease payments is established as an asset at the beginning of the lease term and depreciated on a straight line basis over the expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to expense in the periods in which they are incurred.

(g) Superannuation Funds

As at balance date, the Union contributes to a number of superannuation funds on behalf of employees. Contributions are charged as an expense in the period in which they are incurred.

(h) Trade Receivables

Trade receivables and other receivables represent the amounts due at balance date and subject to impairment. Collectibility is reviewed on an ongoing basis.

(i) Trade and Other Payables

These amounts represent the principal amounts outstanding at balance date for goods and services provided to The Union.

(j) Income Tax

The Union is exempt from the payment of Income Tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

(k) Cash and Cash Equivalents

For the purposes of the statement of cashflow, cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts. Deposits included have a maturity of less than 3 months.

(l) Comparative Figures

Where required by Australian Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current year.

(m) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST recoverable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis.



(n) Revenue

Revenue from the sale of goods and services is recognised upon delivery of those goods or services to the customer. Revenue from services is recognised upon delivery of service to the customer. Revenue from membership fees is recognised in the year to which membership relates. Interest revenue is recognised on a time proportion basis using the effective interest method. Dividend revenue is recognised when the right to receive payment is established. All revenue is stated net of the goods and services tax (GST), where applicable.

(o) Reimbursement of expenses by The University of Sydney

Various expenses incurred by The Union are reimbursed by the University of Sydney. These reimbursements have not been recognised as revenue of The Union but instead have been offset against the relevant expenses to which they relate. Reimbursements in 2007 totalled \$3,573,552 (2006: \$628,851).

2. Revenue

	Note	2007 \$	2006 \$
Sales of goods & services		13,918,965	13,221,729
Other revenue:			
Membership fees		0	7,941,638
Interest received		191,063	442,941
Dividends received		284,692	179,801
Rendering of services		2,558,188	2,095,820
Total Other Revenue		3,033,943	10,660,200
Total Revenue		16,952,908	23,881,929

3. Other Income

Fair value gains on other financial assets at fair value through profit or loss		288,324	516,338
---	--	---------	---------

4. Expenses

Surplus before income tax includes the following specific expenses			
Cost of sales		5,658,282	6,182,195
Finance costs		78,589	54,388
Depreciation of non-current assets:-			
plant and equipment		948,695	937,850
Total depreciation		948,695	937,850
Employee benefits expense		531,478	518,656
Inventory write downs		369,570	700,936
Bad and doubtful debts expense		74,329	(47,754)
Net loss on disposal of plant and equipment		47,283	120,018
Remuneration of auditor:-			
audit of annual financial statements		42,900	38,000
other services		13,502	7,700
		56,402	45,700
Rental expense on operating leases		133,052	137,758
Total rental expense		133,052	137,758



Notes continued

5. Cash And Cash Equivalents (Current)

	Note	2007 \$	2006 \$
Cash on Hand		32,296	24,585
Cash at Bank		2,959,797	204,170
Bank Endorsed Bills		0	5,371,513
		<u>2,992,093</u>	<u>5,600,268</u>

6. Trade & Other Receivables (Current)

Trade Debtors		3,080,637	1,264,014
Provision for Impairment		(117,714)	(50,762)
		<u>2,962,923</u>	<u>1,213,252</u>
Sundry Debtors		311,589	91,308
Staff Debtors		20,929	14,654
Prepayments		55,932	11,640
		<u>3,351,373</u>	<u>1,330,854</u>

7. Inventories (Current)

Finished Goods at cost or net realisable value		751,174	679,858
		<u>751,174</u>	<u>679,858</u>

8. Other Financial Assets– at Fair Value Through Profit or Loss (Current)

Shares in Listed Entities		3,929,235	3,037,260
Units in Trusts		464,814	442,027
		<u>4,394,049</u>	<u>3,479,287</u>



9. Available For Sale Financial Assets (Non Current)

	Note	2007 \$	2006 \$
Shares in Unlisted Entities		1,200	1,200
		<u>1,200</u>	<u>1,200</u>

10. Plant And Equipment (Non Current)

<i>Plant, Furniture, Equipment and Vehicles</i>			
At cost		4,143,544	8,065,962
Accumulated Depreciation		(2,047,530)	(5,433,178)
		<u>2,096,014</u>	<u>2,632,784</u>
<i>Artworks</i>			
At cost	15	196,445	186,445
<i>Work in progress</i>			
At cost		30,401	87,744
<i>Total Plant and Equipment - at cost</i>		<u>4,370,390</u>	<u>8,340,151</u>
<i>Total Accumulated Depreciation</i>		<u>(2,047,530)</u>	<u>(5,433,178)</u>
		<u>2,322,860</u>	<u>2,906,973</u>

Movements in carrying amounts

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

	Plant, Furniture Equipment and Vehicles \$	Artworks \$	Works in Progress \$	Total \$
<i>Balance at the beginning of the year</i>	2,632,784	186,445	87,744	2,906,973
Additions	25,882	10,000	1,193,015	1,228,897
Disposals	(864,315)	0	0	(864,315)
Transfer to/from WIP	1,250,358	0	(1,250,358)	0
	<u>3,044,709</u>	<u>196,445</u>	<u>30,401</u>	<u>3,271,555</u>
Depreciation expense	(948,695)	0	0	(948,695)
Carrying value at the end of the year	<u>2,096,014</u>	<u>196,445</u>	<u>30,401</u>	<u>2,322,860</u>



Notes continued

11. Trade & Other Payables (Current)

	Note	2007 \$	2006 \$
Trade Creditors		602,450	393,943
Sundry Creditors and Accruals		1,179,997	1,258,358
Staff creditors		4,467	0
Income in advance		122,820	166,352
		<u>1,909,734</u>	<u>1,818,653</u>

Trade creditors are settled within normal terms of trade without interest penalty and are carried at approximate net fair value

12. Provisions (Current)

Long Service Leave			
Opening Balance		381,883	488,779
Provisions raised during year		101,123	93,715
Less: Amounts used		(104,890)	(200,611)
Closing Balance		<u>378,116</u>	<u>381,883</u>
Annual Leave			
Opening Balance		459,280	385,902
Provisions raised during year		419,201	410,082
Less: Amounts used		(407,549)	(336,704)
Closing Balance		<u>470,932</u>	<u>459,280</u>
Total Closing Balance		<u>849,048</u>	<u>841,163</u>

13. Provisions (Non-current)

Long Service Leave			
Opening Balance		107,480	92,622
Provisions raised during year		11,154	14,858
Closing Balance		<u>118,634</u>	<u>107,480</u>



14. Reconciliation Of Surplus (Deficit) After Income Tax To Net Cash Inflow/(Outflow) From Operating Activities

	2007 \$	2006 \$
Operating Surplus/(Deficit) for Year	(295,811)	2,710,094
Plus/(minus) non-cash items in Surplus for the year:		
Depreciation	948,695	937,850
Fair Value Gains on Other Financial Assets at Fair Value Through Profit or Loss	(288,324)	(516,338)
Dividend Income Reinvested in Other Financial Assets at Fair Value Through Profit or Loss	(130,520)	(105,231)
Loss on Sale of Plant and Equipment	47,283	120,018
Changes in Assets and Liabilities:		
(Increase) / Decrease in Receivables	(2,020,519)	(746,911)
(Increase) / Decrease in Inventories	(71,316)	100,670
Increase / (Decrease) in Provisions	19,039	(28,756)
Increase / (Decrease) in Payables	91,080	474,603
Net Cash Inflow/(Ourflow) from Operating Activities	(1,700,393)	2,945,999

15. Art Collection

The Union maintains an Art Collection of considerable size and value. The collection is the result of bequests, donations and purchases over the life of The Union. Additions since 1982 are shown in the statement of financial position at cost.

The collection was valued in February 2006 by Dr Pamela Bell with a value of \$2,422,061.

In February 2003, The Union's silverware was valued by Hollington Fine Art for insurance purposes at \$93,325.

In December 2005 The Union had a number of glass negatives valued by Adrienne Carlson at a value of \$7,425.

16. Expenditure Commitments

(a) Operating leases:

Aggregate amounts contracted for at balance date but not recognised in the accounts.

The equipment to which these amounts relate is point of sale (POS) hardware and software.

not later than 1 year	148,878	123,358
later than 1 year but not later than 5 years	101,082	133,638
	249,960	256,996



(b) Superannuation Commitments

During the year, The Union made contributions to superannuation funds on behalf of its employees. Members of the funds are entitled to benefits on retirement, disability or death. Contributions to the funds are at varying rates of gross salaries. The Union is under no legal obligation to make up any shortfall in the funds assets to meet payments due to employees other than in accordance with note 16(a).

The Union contributed to The Australian Retirement Fund (ARF) and The Retail Employees Superannuation Trust (REST) on behalf of certain employees at the rate of 3% of wages to comply with relevant award provisions. It also contributed at the rate of 9% of wages as required by the Federal Government's Superannuation Guarantee Contribution legislation (SGC).

The Union contributes to ARF, 13% of gross salary for former members of the USU Superannuation Fund (USUF) and 3% for certain other employees where relevant award provisions apply. For new members of ARF, the Union contributes 10% of gross salary providing that the member contributes at least 1% of their salary. New members contributing less than 1% will only receive contributions equal to the current SGC requirement.

17. Lease Receivables

Future minimum lease payments in respect of non-cancellable leases according to the time expected to elapse to the expected date of receipt:

	2007 \$	2006 \$
Not later than 1 year	1,319,204	806,952
Later than 1 year and not later than 5 years	3,361,785	2,554,921
	<u>4,680,989</u>	<u>3,361,873</u>

18. Contingent Liabilities

a) Superannuation

At 30 June 2000, all members of USUF transferred across to ARF. As a consequence, certain guarantees were given by The Union to some members who had attained age 50 at 30 June 2000, but who had not attained retirement age.

The guarantee relates to retirement benefits only, and are greater of the ARF benefit (arising from transfer values in respect of defined benefits plus personal contributions of 5% of salary and Union contributions of 13% salary, including investment income, less taxes, expenses and insurance costs), and the benefit that would have become payable under the USUF rules in force at 30 June 2000. The guarantee applies to service up to date of retirement, and not only to fund membership at the 30 June 2000 transfer date.

The performance of ARF during 2007 has improved and hence there is a reduced likelihood that the guarantee may be triggered. However the amount of any potential liability cannot be accurately determined.

b) Building Liability

From 1990, The Union assumed from The University of Sydney, responsibility for the construction, maintenance and improvements to its buildings, upon land that is owned by the University. No audit of any existing liability was undertaken at that time.

There exists at balance date, substantial liability in respect of The Union's buildings. During 2005 The Union in conjunction with Urbis JHD undertook a study of its premises and the estimated liabilities were:

- Holme Building including the Refectory \$10 million
- Wentworth Building \$14 million

No provision has been made in this financial report for these liabilities.

19. Events Subsequent To Reporting Date

No transactions or events of a significant or material nature have occurred since balance date.



20. Nature and Extent of Risks Arising From Financial Instruments

Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on those financial assets and liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate (Maturing within 3 months)		Non Interest Bearing	
	2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Financial Assets								
Cash at bank	6.40	6.02	2,959,797	204,170	0	0	0	0
Bank endorsed bills	6.40	6.02	0	0	0	5,371,513	0	0
Other Financial Assets	9.09	5.74	464,814	442,027	0	0	3,930,435	3,038,460
Trade & Other Receivables	0.00	0.00	0	0	0	0	3,295,441	1,319,214
Total Financial Assets			3,424,611	646,197	0	5,371,513	7,225,876	4,357,674
Financial Liabilities								
Trade & Other Payables	0.00	0.00	0	0	0	0	1,909,733	1,818,653
Total Financial Liabilities			0	0	0	0	1,909,733	1,818,653

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to this financial report.

The Union has a material exposure to a single debtor being The University of Sydney under financial instruments entered into by The Union. Part of this amount has been received subsequent to the end of the year.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and financial asset reserves to meet ongoing business obligations.

The Union manages its liquidity risk by continuously monitoring forecast and actual cash flows against budget.

Price Risk

The Union is exposed to equities securities price risk. This arises from investments held by The Union and classified on the balance sheet as at fair value through profit or loss.

To manage price risk arising from investments in equity securities, The Union diversifies its portfolio. Diversification is done in accordance with The Union's documented risk management strategy.

Net Fair Values

The net fair value of all assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the Notes to this financial report.

21. Entity Details

The registered office of The University of Sydney Union is Level 5, Holme Building, Science Road, University of Sydney, NSW, 2006. The principal place of business of The Union is within the grounds of The University of Sydney, NSW, Australia.



22. Key Management Personnel Disclosures

All remuneration paid to directors and executives is valued at cost to The Union and expensed. The Union complies with government requirements in respect of superannuation and workers compensation insurance.

Details of the remuneration of the directors and executive officers are as follows.

(a) Directors

The following persons were directors of The Union during the year:

Jackson Fann	Amit Singh
Katy Fernandez	Sam Weiss
Simon Fontana	Kaye Dening AM
Lauren Hendry Parsons	Dave Burnett
James Hoare	Alice Dixon
Angus McFarland	Justin Hancock
Rose Khalilizadeh	Vyvyan Nickels
Tom Kavanagh	Ruchir Punjabi
Ros Stein	Abi Shead
Mark Tanner	Danielle Tuazon

(b) Key management personnel compensation

	Salary \$	Superannuation \$	Benefits \$	Total \$
Directors				
- 2007	63,811	0	0	63,811
- 2006	62,607	0	0	62,607
Other key management personnel				
- 2007	832,490	90,906	15,000	938,396
- 2006	737,251	66,489	25,000	828,740

The employment conditions of the chief executive officer and specified executives are formalised in contracts of employment.

The duties of directors are specified in the regulations of the Union and directors are appointed for a two year term following elections.

23. Segment Reporting

Description of segments

(a) Business segments

The Union is organised into the following divisions by product and service type:

Operations – Catering, Retail, Operations, Administration and Stores

Functions – The Venue Collection business

Member Services – Student programs and Bars

Other – Property and Administration



(b) Geographical Segments

The Union operates in one geographic segment being NSW, Australia where it provides services to tertiary students.

(c) Primary reporting format – business segments

	Operations \$	Functions \$	Member Services \$	Other \$	Unallocated \$	Total \$
Revenue						
- 2007	9,116,938	2,279,092	2,301,023	3,544,180	0	17,241,233
- 2006	9,143,315	2,671,039	1,714,149	2,767,341	8,102,423	24,398,267
Result						
- 2007	971,740	349,570	(1,980,403)	363,282	0	(295,811)
- 2006	433,894	572,372	(2,317,538)	(4,081,057)	8,102,423	2,710,094
Depreciation and Amortisation						
- 2007	297,725	20,800	83,514	546,656	0	948,695
- 2006	200,606	12,224	97,724	627,296	0	937,850
Assets						
- 2007	1,685,155	345,319	897,829	704,450	10,179,996	13,812,749
- 2006	1,708,204	350,543	915,308	721,952	10,302,433	13,988,440
Liabilities						
- 2007	0	0	0	0	2,877,416	2,877,416
- 2006	0	0	0	0	2,767,296	2,767,296
Capital Expenditure						
- 2007	0	0	0	0	1,228,897	1,228,897
-2006	0	0	0	0	1,139,515	1,139,515

24. Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Disclosures relating to key management personnel are set out in note 22.

During the year there were no other transactions with related parties.

25. Reserves

General Reserve – records funds set aside for future expansion of The Union.

Fixed Asset Replacement Reserve – records funds set aside for the replacement of assets.

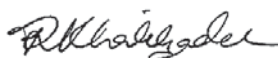


Directors' Declaration for the year ended 31 December 2007

In the Directors opinion:

1. The financial statements and notes set out on pages 14 to 31
 - (a) comply with Accounting Standards, other mandatory professional reporting requirements and The Union's Constitution and Regulations; and
 - (b) give a true and fair view of the Union's financial position as at 31 December 2007 and of its performance, as represented by the results of their operations, changes in equity and their cashflows, for the year ended on that date; and
2. There are reasonable grounds to believe that The Union will be able to pay its debts as and when they become payable.

This declaration is made in accordance with the resolution of the Board of Directors of the Union and is signed for and on behalf of the Directors by:



Rose Khalilizadeh
President



Tom Kavanagh
Honorary Treasurer

Dated in Sydney this 8th day of May 2008.

Independent Auditor's Report



Chartered Accountants
& Business Advisers

To the members of The University of Sydney Union

Report on the financial report

We have audited the accompanying financial report of The University of Sydney Union (The Union), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The directors of The Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have followed applicable independence requirements of Australian professional ethical pronouncements.

16

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

PKF East Coast Practice is a member of PKF Australia Limited a national association of independent chartered accounting and consulting firms each trading as PKF. The East Coast Practice has offices in NSW, Victoria and Brisbane. PKF Australia Limited is a member of PKF International, an association of legally independent chartered accounting and consulting firms.

Liability limited by a scheme approved under Professional Standards Legislation

Independent Auditor's Report continued



Chartered Accountants
& Business Advisers

Auditor's opinion

In our opinion the financial report of The Union:

- (a) gives a true and fair view of The Union's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
- (b) complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia.


PKF
East Coast Practice

Paul Bull
Partner

Sydney
8 May 2008

