2011

University of Wollongong Union Annual Report 2011

University of Wollongong

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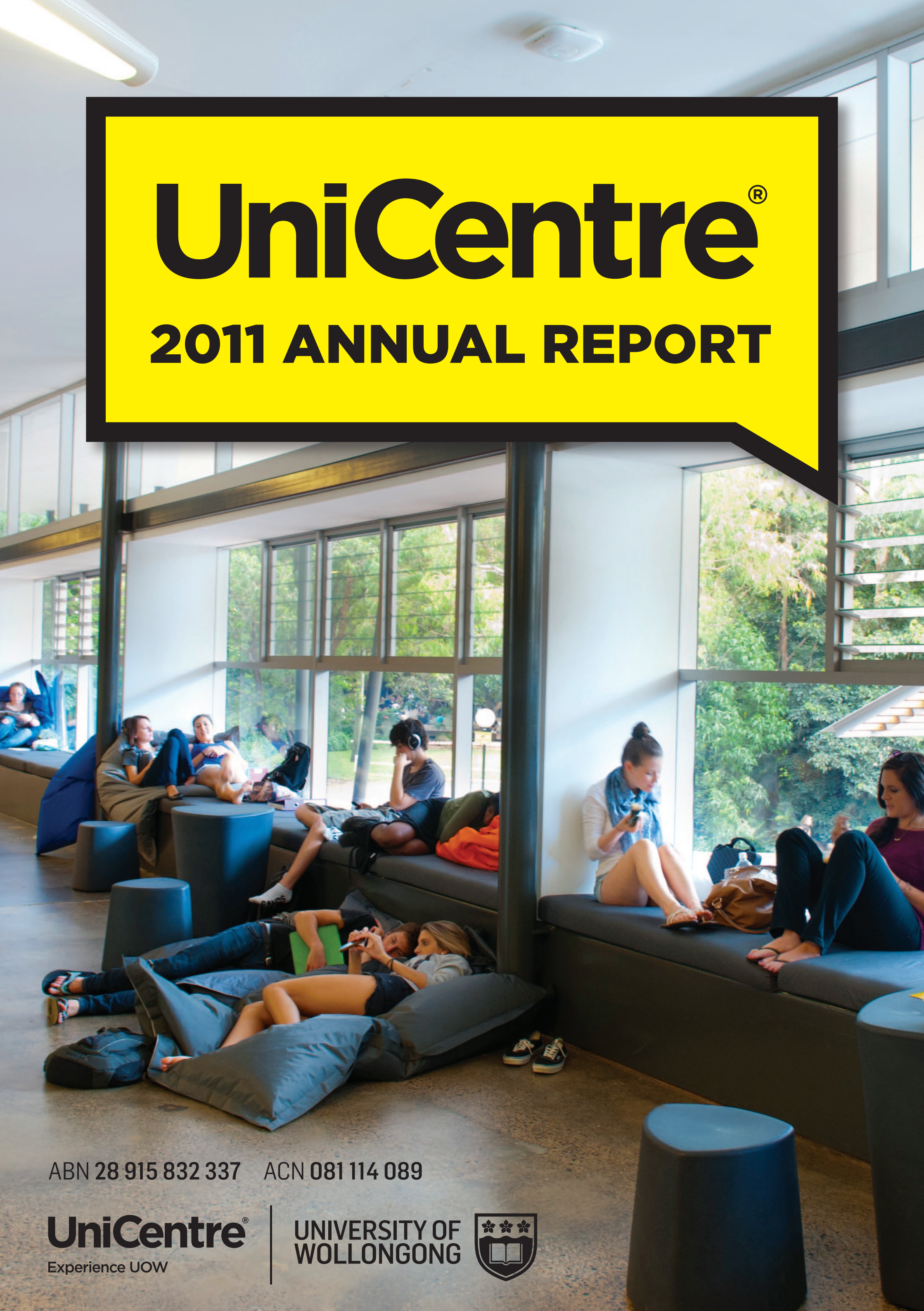


UniCentre®

2011 ANNUAL REPORT

ABN 28 915 832 337 ACN 081 114 089

UniCentre® Experience UOW

UNIVERSITY OF WOLLONGONG

UniCentre®

2011 ANNUAL REPORT

UniCentre®
Experience UOW

UNIVERSITY OF WOLLONGONG

CONTENTS

UniCentre®
Experience UOW

OUR VISION:

"UNICENTRE TO BE A DECIDING FACTOR IN EXPERIENCING UOW"

VISION

UniCentre to be a deciding factor in experiencing UOW.

OUR MISSION:

"TO CREATE SERVICES SPACES AND ACTIVITIES THAT ENHANCE THE UNIVERSITY EXPERIENCE, FUNDED BY MAXIMISING THE COMMERCIAL RETURNS OF OUR BUSINESS OPERATIONS"

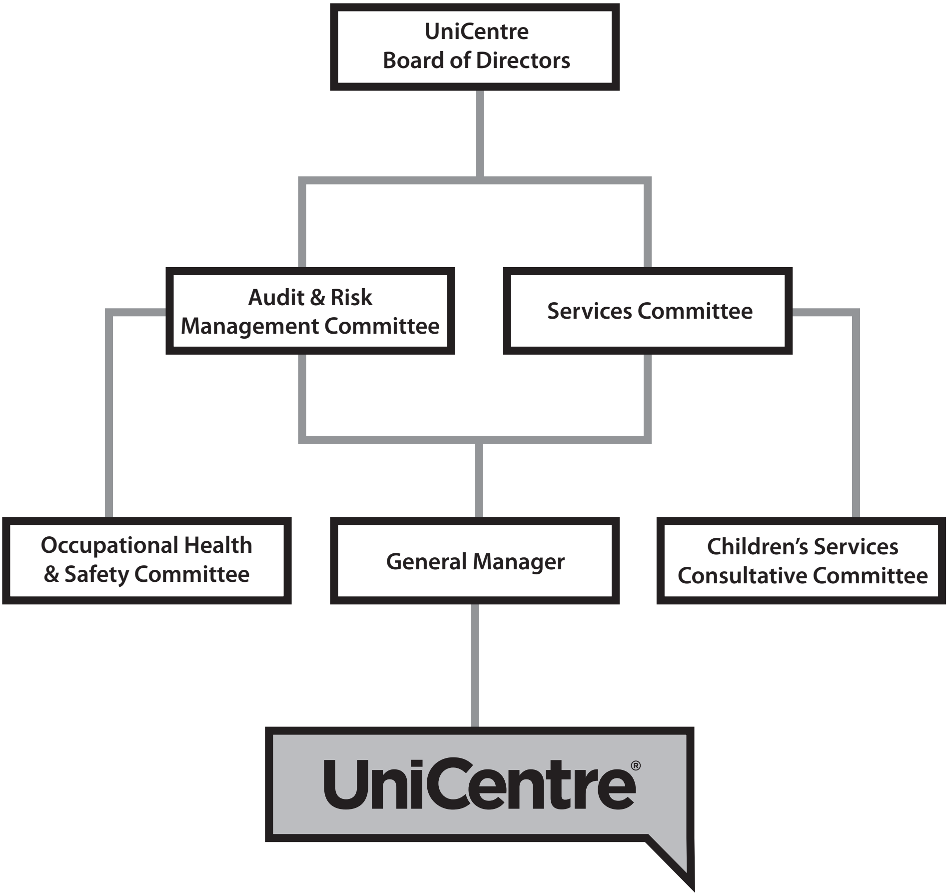
MISSION

To create services, spaces and activities that enhance the University experience, funded by maximising the commercial returns of our business operations.

OUR VALUES:

INTEGRITY / WE WORK HONESTLY, ETHICALLY AND MORALLY
FLEXIBILITY / WE ARE FLEXIBLE TO CHANGING NEEDS
EXCELLENCE / WE STRIVE TO EXCEL AND ENJOY WHAT WE DO
ENGAGEMENT / WE ENGAGE WITH OUR COMMUNITY
LEADERSHIP / WE BELIEVE IN AND WILL DELIVER OUR VALUES

COMPANY STRUCTURE



DIRECTORS' REPORT

Achievements

- Officially opened Refurbished Building 11 in April 2011 (later than planned), by then Vice Chancellor Professor Gerard Sutton. The new facilities provide formal seating for up to 480 persons, an increase of indoor seating capacity of 90%. Distinct zones for student use – informal study, relaxation zone and game zone. Successfully opened new UniCentre operations within refurbished space – Rush 2 coffee outlet and E11even University apparel and merchandise.

- Customer Service Index Survey was conducted on all UniCentre service outlets and all tenants on the Wollongong campus with an overall satisfaction of 80% - steady against the 2010 result. All UniCentre outlets achieved ratings above the 77% satisfaction benchmark with a combined score of 81.9% satisfaction measured through the index. Rush 2, UniCentre's latest Coffee operation kicked off its inaugural year rating with a 91 rating achieving highest individual satisfaction rating of the CSI results.

- The financial results for Wollongong UniCentre continue to provide sustainability for UniCentre, again recording a positive operating surplus.

- UniCentre's student engagement and social activity function Centre for Student Engagement again increased its reach across the campus community. Not only increasing the number of people engaged in its activity on the Wollongong Campus, but spreading its reach and effect to the local community through programs it delivers.

- Children's Services experienced consistent customer/children use measured through average utilisation.

BOARD OF DIRECTORS

Chris Grange

BA MCom
Executive Chair
Director since January 2005

Since 2005, Chris has been the Vice-Principal (Administration) of the University of Wollongong and Secretary to the University Council. Within the University, Chris is responsible for the Academic Registrar's Division, Accommodation Services, Facilities Management, Financial Services, Personnel Services and the Innovation Campus. He has worked at the University since 1988 and was previously Director of Personnel and Financial Services.

Brian Ward

BBus, CPA, MBA, GAICD
Non Executive Director
Director since August 2002

Brian has extensive experience in both the private and public sector in a range of senior management roles. As the principal of B Ward & Associates, Brian specialises in consulting services in the areas of corporate governance, organisational restructures, change management, performance audits, financial analysis and process and business improvement. Prior to this Brian held senior management positions with Parliament of NSW and Port Kembla Port Corporation. Brian is a University of Wollongong appointed Director to UniCentre.

Mike Gillmore

Executive Director, Company Secretary,
General Manager
Director since January 2009

As Executive Director and General Manager of Wollongong UniCentre Ltd, Michael's responsibility is across the direction and accountability for the UniCentre entity. Prior to this role Michael was General Manager for the UOW Accommodation Services Division for 4 years and before that worked in the Facilities Management Division since 1997. Michael's experience before coming to the University of Wollongong was in the Hospitality and Support Services sectors providing hospitality based services to commercial organisations, major sporting/leisure venues major hotel chain.

Mary Youssif

B.Com, M.Stud.Accy, FCPA, ACIS, RTA
Non Executive Director
Director Since August 2004

Mary has held various senior and executive positions within the Coal Mining and Chemical Manufacturing Industries for 15 years. She also worked for the University of Wollongong between 1993 and 2001 in Chief Accountant and Project Management positions. During that time she was the Vice-Chancellor's representative on the UniCentre's Children's Services Management Committee. Currently she operates her own accounting practice locally. Mary has been a director on the Board of Community Alliance Credit Union (The Illawarra Credit Union) for the past 21 years and is in her fourth term as serving as Chairman of the Board. During her time she formed and Chaired their Audit Committee, was on their Strategic Planning Committee for 4 years (Chair for one year). During 2010 and 2011 she was Chair of the Governance Committee and currently continues to serve on this committee.

Jo-Ann Fisher

Non Executive Director
Director since August 2007

Jo is the General Book Buyer for the UniShop. She has been employed with the UniCentre since 1993. Jo has previously studied in Welfare and Librarianship. She has written articles for the Bookseller and Publisher magazine as well as submitting her short stories for various literary awards. Jo also has five children, four of whom have attended Kids' Uni. Jo is also on the University of Wollongong Cares committee as well as being a member of Women on Boards.

Matt Greiss

Non Executive Director
Director since August 2010

Matt is a 5th year Law/Commerce student majoring in finance. He is a current member of UOW Law Faculty Committee and has held a number of other representative positions during his time at the University. Matt has worked in Local Government for a number of years and currently holds a position within the Information + Governance Division of Wollongong City Council where he provides support and advice in the area of City Planning.

Walter Immoos
Non Executive Director
Director since August 2010

Walter commenced his career in 1969 as an apprentice chef. He worked in various hotels through Europe in the kitchen until 1978. Walter attended hotel school in Lausanne, Switzerland & completed his hotel management diploma. Walter has worked for nearly all major hotel brands including the Hilton, Westin, Sun International and Holiday Inn. He came to Australia in 1989 to open Peppers on Sea Terrigal. Walter then converted this property to the very first Crown Plaza brand in Australia. In 1994 he then transferred to the Holiday Inn Menzies, which he converted to All Seasons Premier Menzies in 1996. In 2000 ACCOR bought the All Seasons group and hence, Walter commenced his career with ACCOR. During that year the Menzies was the official family hotel for the Olympic Games. At the end of 2005 Walter transferred to the Novotel Wollongong Northbeach where he is today as General Manager. Walter's interests include art, history, tennis and golf.

Ian Murray
Non Executive Director
Director since October 2010

Ian is an undergraduate student currently studying a combined Law and Commerce degrees. Since commencing his studies at the University of Wollongong in 2009, Ian has been an active member on university campus engaged as a member of several student societies and UniCentre clubs. Outside the University, he maintains a dynamic connection to wider community through his sporting interests and his involvement in numerous community groups. Ian will bring to the board an enthusiasm for corporate governance and will ensure that UniCentre will continue to enhance the student experience at the University of Wollongong.

Theresa Hoynes
Non Executive Director
Director since October 2011

Theresa commenced her career as a Social Worker at Wollongong Hospital. She worked in various roles across the regional health service moving into senior planning and performance management positions. After 15 years in the health sector, Theresa joined the University of Wollongong as Senior Manager Policy and Governance and then Executive Manager in the Faculty of Commerce. In this role Theresa is responsible for Faculty services to students in five education centres across NSW and off-shore locations, ensuring administrative support for all core Faculty functions including student services, marketing, recruitment, teaching and learning support, research administration, policy, governance, events, strategic planning and performance. Theresa has served on various boards for children's services and not-for-profit organisations and numerous committees at the University. She completed her Masters in 2010.

James Parrish

Non Executive Director
Director since October 2010

James is an undergraduate student in his fourth year of a combined Arts-Law degree. James has lived in Wollongong all his life, graduating from the Illawarra Grammar School in 2008. James is a passionate member of the University community and, since January 2012, has represented the student body on the UOW Council as the Undergraduate Student Representative. In previous years James also served on the Academic Senate and Academic Senate Standing Committee. He also continues to hold executive positions in a number of UniCentre clubs on campus, and greatly values the social support and networking opportunities provided by the Clubs and Societies make-up. In addition to his university commitments, James is an articled clerk at one of Wollongong's largest law firms; as well as also training as an Officer Cadet in the Australian Army Reserves.

Dean Young

Non Executive Director
Director since December 2010

Dean started his career working as a Trainee Accountant for a local council in the UK. He qualified as an Accountant in 1997, shortly after joining an Investment Bank in London as a Management Accountant. In 2002, Dean commenced his career in Property working for CB Richard Ellis as a Financial Controller responsible for the Europe, Middle East and Asia regions. Having migrated to Australia in 2005, he joined AMP as a Divisional Finance Manager responsible for various Shopping Centres within Australia and New Zealand. In 2006, Dean became the Centre Manager of a Shopping Centre in Sydney, before transferring to the Illawarra responsible for Dapto Mall. At the start of 2010, Dean moved to Wollongong Central where he is today the Centre Manager for the GPT Group. Dean's interests include all sports, primarily football, golf and tennis.

Eloise Young

Non Executive Director
Director since October 2011

Eloise is a 4th year Law/Communications student majoring in Digital Communications. She is a current student member of the Law Faculty Committee and is also the 2011 WUSA President, as well as holding a 2011 student position on the Academic Senate. Eloise also held the role of Events officer on the 2011 UOW LSS, is an active member of the Evangelical Christian Union on campus, and sat on the 2011 Student Conduct Committee, as well as the Student Support for Learning Subcommittee. Eloise worked as a team leader in the UniCrew Volunteer program in 2010, and has worked on various volunteer projects at UOW. Eloise ran for the Board because she is passionate about improving the UOW student experience, standing up for students' rights and ensuring that the student voice is clearly and appropriately articulated.

BOARD OF DIRECTORS

This statement outlines the Wollongong UniCentre Corporate Governance Practices that were in place throughout the financial year.

The Board of Directors' consists of six elected and six appointed directors, as provided for in the Articles of Association. The elected directors are drawn from the staff and students of the University, and the staff of UniCentre. The directors appointed by the University are selected with regard to the Government's guidelines for governance in controlled entities. The General Manager is the only Executive Director.

There were six meetings of the Board during 2011. The number of Board meetings attended by directors is detailed below.

The Board is responsible for the overall Corporate Governance of the Wollongong UniCentre including strategic direction, establishing goals for management, monitoring organisational performance and ensuring that stewardship frameworks are in place.

The Board has approved a Corporate Governance Manual. The document outlines in detail the Rights and Responsibilities of Directors, and requires that directors uphold the Australian Institute of Directors Code of Conduct. It also states the requirements for ethical conduct within the organisation, and establishes a process for review of Board and Director effectiveness. Directors are required to submit disclosure of pecuniary interests on appointment and annually. Directors are offered external training and development activities, primarily through Australian Institute of Company Directors.

DIRECTORS' MEETING ATTENDANCE

	Board		Audit & Risk M'gmt		Services		Children's Services	
	A	B	A	B	A	B	A	B
Chris Grange	5	6	-	-	-	-	-	-
Jo-Ann Fisher	5	6	-	-	4	6	2	2
Michael Gillmore	6	6	4	4	5	6	2	2
Brian Ward	6	6	4	4	-	-	-	-
Mary Youssif	5	6	2	2	-	-	-	-
Matt Greiss	6	6	1	1	5	5	-	-
Claudia Perry-Beltrame	2	2	-	-	-	-	-	-
Ian Murray	5	6	3	4	1	1	-	-
James Parrish	3	3	4	4	-	-	-	-
Walter Immoos	5	6	-	-	5	6	-	-
Dean Young	5	6	-	-	-	-	-	-
Andrew McCullough	4	4	-	-	3	4	-	-
Theresa Hoynes	4	4	-	-	1	1	-	-
Eloise Young	2	2	-	-	1	1	-	-

A = Number of meetings attended

B = Reflects the number of meetings held during the time the director held office during the year.

The term of one elected director, Mr Andrew McCullouch (Student elected Director) concluded which required an election to be held in August of 2011. Additionally, Ms Claudia Perry-Beltrame (UOW elected Director) resigned her directorship due to resignation as UOW Staff Member. The August Elections saw the following directors commence their roles in October 2011: Ms Theresa Hoynes (UOW Staff elected Director) and Ms Eloise Young (Student elected Director).

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year a premium to insure directors and officers of the company was paid by the University of Wollongong, to the amount of $35,000 per S300 (1)g, 300(8) and 300(9). The liabilities insured include costs and expenses that may be brought against the directors and officers in their capacity as directors and officers of the company.

RESULTS	Consolidated		UniCentre	
	2011	2010	2011	2010
	$	$	$	$
Revenue	18,333,082	18,236,895	18,333,082	17,257,486
Operating profit before income tax	177,383	452,506	177,385	277,597
Income tax attributable to operating profit	-	66,756	-	-
Net profit	177,383	385,750	177,385	277,597
Retained profits at the beginning of the financial year	9,416,441	9,030,691	9,416,441	9,138,842
Retained profits at the end of the financial year	9,593,824	9,416,441	9,593,824	9,416,439

PRINCIPAL ACTIVITIES

The Company's principal activities are the operation of commercial activities on The University of Wollongong Campuses including Food & Coffee Services, Functions & Events, UniBar, UniShop, Child Care, Post Office and Student Engagement.

AUDIT PROCESS

As a controlled entity of the University of Wollongong, the external auditors are The Audit Office of NSW, and their agents. The Audit and Risk Management Committee advises the Board on the external audit program and outcomes. As a part of its process, the committee requires:

- The attendance of The Audit Office of NSW representatives at meetings where their reports are considered.
- A formal sign-off from management to the Board, on the accuracy of financial position and performance statements.
- A procedure of absenting senior managers during Audit meetings.

INTERNAL CONTROL FRAMEWORK

To assist in the discharge of its responsibilities for the internal control framework, the Board uses Internal Auditors KPMG to ensure compliance with Internal Controls. The current Internal Audit Plan provides for a schedule of reviews of the following topics:

- Capital Works - Procurement and Financial Management
- Procurement and Payables
- Stock Management and Controls
- IT (UniCentre specific IT controls)

- Cash Handling
- Payroll and Taxation

DELEGATION OF AUTHORITY

The Board has, under section 198D of the Corporations Act, defined delegations of authority to individuals and committees. These delegations are recorded in the Governance Manual and cover:

- Property, Plant and Equipment
- Authority to enter contracts
- Staff and organisation
- Operating Expenditure
- Financial Administration
- Sponsorship and Donation

RISK MANAGEMENT

The Chief Executive Officer oversees a range of risk management strategies on behalf of the Board of Directors. A Risk Assessment Program was conducted in 2009 and key areas of risk are embedded in quarterly reporting processes. Other specific arrangements include:

- Review by the Board of the annual budget, and quarterly financial performance reviews.
- A comprehensive Insurance Program.
- Policies to ensure that capital expenditure commitments above a certain limit are authorised by the Board.
- Occupational Health and Safety reviews of the workplace in accordance with the relevant legislation.

BOARD COMMITTEES

The Board has the following advisory committees:

- Services Committee
- Audit and Risk Management Committee
- Children's Services Consultative Committee

DIVIDENDS

Dividends are not payable by companies limited by guarantee, such as the Wollongong UniCentre Ltd as a company limited by guarantee. Dividends are payable by the UniCentre Conferences and Functions Pty Ltd to Wollongong UniCentre Ltd, but will cease with the winding up of this organisation and merging into the parent entity.

STATE OF AFFAIRS

There were no significant changes to the scope of operating activities of the UniCentre during 2011. A range of service initiatives is discussed in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to the balance date.

LIKELY DEVELOPMENTS

Currently no likely developments to report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307c of the Corporations Act 2001 is set out on page 18.

REVIEW OF OPERATIONS

Retail Services

UniShop achieved 95% text availability across Autumn and Spring sessions ensuring students had the right resources at the right time. There were a number of key achievements during 2011 with the relocation of the Campus Post Office into UniShop, the opening of E11even clothing and memorabilia store and welcoming IMB onto campus located in Building 17 retail precinct. UniCentre Marketing achieved unprecedented success in O-week market stalls creating a great atmosphere to the festival and seamlessly introduced the refreshed UniCentre brand along with all collateral. Significant campaigns included the UniShop December Sale and Fuel/E11even cross sales promotion. UniCentre Centre for Student Engagement provided increased services and opened the inquiry counter, managed the campus BBQs while Lunch on the Lawn proved extremely popular throughout the year.

Employee Relations
The organisation also participated in three sets of enterprise bargaining group consultations with staff to reach agreement on workplace conditions across our business operations while participating in the fourth staff satisfaction survey achieving 73% based on a 52% increase in staff participation in the survey. OHS featured heavily in 2012 with a full review of the Occupational Health and Safety System, six OHS Committee meetings and lost time injury incidents well below industry averages.

Children's Services
Wollongong UniCentre Children's Services (comprising Kids' Uni North & South; South Coast Workers Child Care Centre / OOSH after school & vacation care; OOSH 12 to 15yr olds programme) have achieved a lot over the last year.

All services have been working towards the introduction of new regulations for 2012. These regulations are known as the Education and Care Services National Regulations. The staff teams worked towards the implementation of the national Early Years Learning Framework which seeks to improve planning for children's developmental needs.

Each centre continued to work on a centre specific "Improvement Plan". These plans identify areas where each centre strives to build on what is already operationally in existence. Staff teams at each of our services reflect on current practices and how they can be further extended or improved.

During the year each service received at least one unannounced spot inspection from the National Children's Quality Assurance Council and the regulatory body, NSW Department of Community Services. All services passed each inspection.

During 2011 all staff undertook a wide range of training that assisted them provide high quality care and education for the children and families. The training ranged from operational training to child developmental strategies.

Events & Venues
Events & Venues (E&V) commenced the year with the goal of implementing a rebrand and relaunch including the launch of new packages and a new pricing structure. The new structure was to concentrate on converting high yield business to bring E&V into a positive growth position. The central Food production unit during 2011 was to build a self financing unit which services all the food production requirements of the Food and Beverage service. In quarter 4 of 2011 the new Micros system (Opera Sales & Catering module) was implemented along with the development of QA procedures. Sales varied from month to month, with NCM exceeding budget in the first 3 quarters. The combined year end resulted in Events & Venues/Food production combined achieving a positive full year Net Contribution Margin result. QA procedures were developed in Q4 and are in the formative stages of implementation. The procedures have established the standard for both Events & Venues/Food production and will form a critical part of staff training.

The Micros Opera system was implemented late in the year which has commenced providing the organisation accurate forecasts and robust data on high yielding Food and Beverage revenue areas and viable packages. The system allows for accurate future financial forecasting and review of non yielding packages/products. The system will continue to provide efficiencies and advantages through improved productivity and the streamlining of processes that impact, service delivery, quality management and customer relationships.

Customer service and consistent delivery of events continues to be an area of focus. There is focus on ensuring the correct staff members are engaged with UniCentre, providing them with appropriate training and operational guidelines, driving improvement through procedures and the initial development of services agreements in consultation with stakeholders. The comprehensive implementation of procedures will see significant improvement in this unit.

Food and Beverage Units
UniCentre's Food and Beverage units had a range of success through 2011. At the end of the first quarter the refurbishment of Building 11 was completed, and while this was later than planned the opening of Rush 2 and relocation of our Fuel operation was successful.

UniCentre's coffee offer, the Rush brand, was successful not only in the new outlet Rush 2, but also at the first iteration of Rush at Building 67. UniCentre operated Subway also traded strong through the year returning improved margin for the third consecutive year.

UniBar recorded its strongest financial performance ever in 2011, and this is attributed to three factors. Firstly, the Food & Beverage management team made some structural improvements, secondly our performing artist agency Apache provided solid performing acts which encouraged high levels of patronage, and thirdly the UniBar team managed their costs well through the year.

Tenancy Operations

A number of tenants performed well through the 2011 year. From a service perspective there was some improvement in the tenancy group Customer Service Index, and many increased their trading performance. Two tenancy operations came to the end of their lease options with us and decided to move on, which in turn provides UniCentre the opportunity to refresh the Food Court in particular for the beginning of the 2012 academic year.

FINANCIAL OUTCOMES

The financial surplus for Wollongong UniCentre Limited for the 2011 year at $177,383 ensures that the organisation remains a going concern. The operating surplus result was less than the 2010 results due to higher employee benefits and increased depreciation and interest costs as a result of from funding the significant refurbishment of Building 11.

Revenue from operations of $18,333,082 is only slightly above those experiences in 2010, and as stated the costs associated with improving the facilities meant that the operating surplus was less than the prior year. The mix of income moved somewhat through the year - sales of good for 2011 increased by 11.4%, where as provision of services reduced by 24%. While overall revenue was only slightly higher than 2010, cost of materials improved by 2.7 percentage points. Cost of employment for the organisation for 2011 was higher on a proportionate basis by a similar proportion.

The organisation's balance sheet has seen significant growth in assets (both in building and outlet fit-out type) which provides the business with the operating assets to continue to build that return in future years. While the current and long term liabilities have grown, as a result of the loan from the University for the UniCentre contribution to the Building refurbishment, the costs of servicing this loan has been factored into future year budgets while the business continues to build.

UniCentre's Food and Beverage services experienced a good year, even though the Building 11 refurbishment was completed later than expected. Sales in UniShop, our organisation's retail cornerstone continued to experience declining sales (predominantly through text adoptions from faculties) and our staff teams in that area work closely to ensure that all text adoptions and reference materials are available for the student community.

The revised Events & Venues team (previously Conference & Functions) provided a good financial performance for the organisation in 2011 (against prior years). The changes in structure and systems implemented through 2011 will see them continue to improve their financial performance in future years.

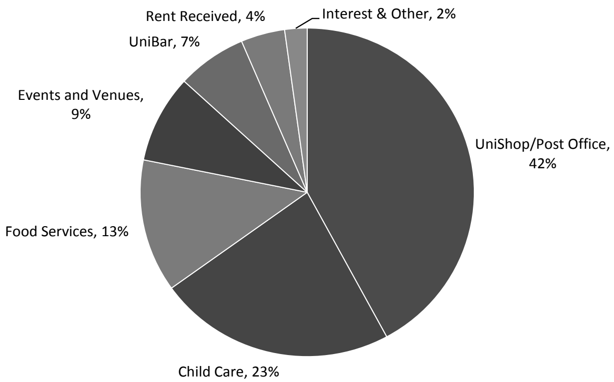
UniCentre's overhead costs for the 2011 year were reasonably well controlled, with the exception of significant range of tenant expenses and additional furniture costs and leased computing requirements increasing.

The Centre for Student Engagement, UniCentre's significant link to the campus community, provided an improved level of services and activities while controlling their operating costs.

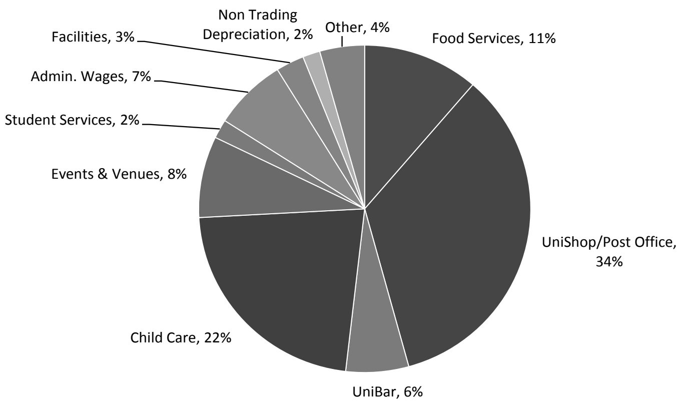
Children's Services units did not perform to recent year's levels, with significant investment in staff/team building support through the year.

The end of year financial performance for UniCentre, while not at budgeted levels lays a good platform for the organisation to continue to grow in coming years.

2011 Income Dissection



2011 Expenditure Dissection



Signed in accordance with a resolution of the Board of Directors on April 17, 2012:

C. Grange
Chairman

M. Gillmore
Executive Director

INDEPENDENT AUDITOR'S REPORT

UniCentre Conferences and Functions Pty Ltd

To Members of the New South Wales Parliament and Members of UniCentre Conferences and Functions Pty Ltd

I have audited the accompanying financial statements of UniCentre Conferences and Functions Pty Ltd (the Company), which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company, as at 31 December 2011, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | t 02 9275 7101 | f 02 9275 7179 | e mail@audit.nsw.gov.au | audit.nsw.gov.au

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company
- that its has carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

P. Coulogeorgiou

Peter Coulogeorgiou
Director, Financial Audit Services

18 April 2012
SYDNEY

To the Directors
Wollongong UniCentre Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Wollongong UniCentre Limited for the year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.

P. Coulogeorgiou

Peter Coulogeorgiou
Director, Financial Audit Services

11 April 2012
SYDNEY

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DIRECTORS' DECLARATION

In the opinion of the directors of Wollongong UniCentre Limited ("the Company"):

1. The financial statements and notes, set out on pages 20 to 48 are in accordance with the provisions of the Public Finance and Audit Act 1983 and Corporations Act 2001, including:

    a. giving a true and fair view of the financial position of the Company and the Consolidated entity as at 31 December 2011 and of their performance, as represented by the results of its operations and their cash flows, for the year ended on that date; and

    b. complying with Accounting Standards and the Corporations Regulations 2001;

    and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

We are not aware of any circumstances that would render any particulars included in the financial reports to be misleading or inaccurate.

Dated at Wollongong April 17, 2012.

Signed in accordance with a resolution of the directors.

SIGNATURES

C. Grange
Chairman

M. Gillmore
Executive Director

Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	Consolidated 2011 $	Consolidated 2010 $	Parent entity 2011 $	Parent entity 2010 $
Revenue from continuing operations	3	**18,333,082**	18,236,895	**18,333,082**	17,257,486
Gain on disposal of assets	4	**11,151**	12,209	**11,151**	12,209
Raw materials and consumables used		**(6,410,949)**	(6,859,136)	**(6,410,949)**	(6,485,816)
Employee benefits expense	6(a)	**(8,261,174)**	(7,696,700)	**(8,261,174)**	(7,629,556)
Depreciation and amortisation expense	6(b)	**(765,687)**	(632,334)	**(765,687)**	(632,334)
Other expenses	6(c)	**(2,641,140)**	(2,608,428)	**(2,641,138)**	(2,244,392)
Finance costs		**(87,900)**	-	**(87,900)**	-
Profit before income tax		**177,383**	452,506	**177,385**	277,597
Income tax expense	7	**-**	(66,756)	**-**	-
Profit for the year		**177,383**	385,750	**177,385**	277,597
Other comprehensive income for the year, net of tax		**-**	-	**-**	-
Total comprehensive income for the year		**177,383**	385,750	**177,385**	277,597

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

Statement of Financial Position
As at 31 December 2011

	Notes	Consolidated 2011 $	Consolidated 2010 $	Parent entity 2011 $	Parent entity 2010 $
ASSETS					
Current assets					
Cash and cash equivalents	8	**3,369,350**	2,402,926	**3,369,350**	2,402,926
Trade and other receivables	9	**786,065**	713,438	**786,065**	713,438
Inventories	10	**2,290,730**	2,324,706	**2,290,730**	2,324,706
Total current assets		**6,446,145**	5,441,070	**6,446,145**	5,441,070
Non-current assets					
Investment in subsidiary		**-**	-	**1**	1
Property, plant and equipment	11	**8,959,312**	6,786,323	**8,959,312**	6,786,323
Intangible assets	12	**35,111**	20,103	**35,111**	20,103
Total non-current assets		**8,994,423**	6,806,426	**8,994,424**	6,806,427
Total assets		**15,440,568**	12,247,496	**15,440,569**	12,247,497
LIABILITIES					
Current liabilities					
Trade and other payables	13	**2,655,977**	1,583,456	**2,655,978**	1,583,459
Borrowings	14	**440,001**	-	**440,001**	-
Provisions	15	**776,885**	724,876	**776,885**	724,876
Other liabilities	16	**183,773**	190,928	**183,773**	190,928
Total current liabilities		**4,056,636**	2,499,260	**4,056,637**	2,499,263
Non-current liabilities					
Borrowings	17	**1,446,667**	-	**1,446,667**	-
Provisions	18	**223,661**	179,081	**223,661**	179,081
Other liabilities	19	**119,780**	152,714	**119,780**	152,714
Total non-current liabilities		**1,790,108**	331,795	**1,790,108**	331,795
Total liabilities		**5,846,744**	2,831,055	**5,846,745**	2,831,058
Net assets		**9,593,824**	9,416,441	**9,593,824**	9,416,439
EQUITY					
Retained earnings	20	**9,593,824**	9,416,441	**9,593,824**	9,416,439
Total equity		**9,593,824**	9,416,441	**9,593,824**	9,416,439

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

Statement of Changes in Equity
For the year ended 31 December 2011

Consolidated	Notes	Retained earnings $	Total equity $
Balance at 1 January 2010		**9,030,691**	**9,030,691**
Total comprehensive income for the year	20	385,750	385,750
Balance at 31 December 2010		**9,416,441**	**9,416,441**
Balance at 1 January 2011		**9,416,441**	**9,416,441**
Total comprehensive income for the year	20	177,383	177,383
Balance at 31 December 2011		**9,593,824**	**9,593,824**

Parent	Notes	Retained earnings $	Total equity $
Balance at 1 January 2010		**9,138,842**	**9,138,842**
Total comprehensive income for the year	20	277,597	277,597
Balance at 31 December 2010		**9,416,439**	**9,416,439**
Balance at 1 January 2011		**9,416,439**	**9,416,439**
Total comprehensive income for the year	20	177,385	177,385
Balance at 31 December 2011		**9,593,824**	**9,593,824**

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

Statement of Cash Flows
For the year ended 31 December 2011

		Consolidated		Parent entity	
		2011	2010	**2011**	2010
	Notes	**$**	$	**$**	$
Cash flows from operating activities					
Receipts from customers		**19,786,847**	17,914,212	**19,786,847**	16,806,250
Payments to suppliers and employees		**(17,842,734)**	(19,356,120)	**(17,842,734)**	(17,583,358)
Interest received		**194,772**	182,205	**194,772**	154,224
Interest paid		**(87,900)**	-	**(87,900)**	-
Income tax refund		**-**	27,207	**-**	-
Dividends received		**-**	-	**-**	82,990
Net cash flows from (used in) operating activities	28	**2,050,985**	(1,232,496)	**2,050,985**	(539,894)
Cash flows from investing activities					
Payments for property, plant and equipment		**(738,676)**	(556,566)	**(738,676)**	(556,566)
Payments for intangibles		**(15,008)**	-	**(15,008)**	-
Proceeds from sale of property, plant and equipment		**455**	13,032	**455**	13,032
Financial assets at Fair value through profit and loss		**-**	29,924	**-**	29,924
Net cash flows used in investing activities		**(753,229)**	(513,610)	**(753,229)**	(513,610)
Cash flows from financing activities					
Repayment of borrowings		**(331,332)**	(19,500)	**(331,332)**	(19,500)
Net cash used in financing activities		**(331,332)**	(19,500)	**(331,332)**	(19,500)
Net increase (decrease) in cash and cash equivalents		**966,424**	(1,765,606)	**966,424**	(1,073,004)
Cash and cash equivalents at the beginning of the financial year		**2,402,926**	4,168,532	**2,402,926**	3,475,930
Cash and cash equivalents at end of year	8	**3,369,350**	2,402,926	**3,369,350**	2,402,926

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

1 Summary of significant accounting policies

Wollongong UniCentre Limited (the "Company") is a company limited by guarantee incorporated and domiciled in Australia. If the Company is wound up, each 'member' is liable to contribute a maximum of $1.00 towards the costs, charges and expenses of winding up the Company and payment of debts and liabilities of the Company. The address of the Company's registered office is Northfields Avenue, North Wollongong NSW 2500.

The consolidated financial statements of the Company for the year ended 31 December 2011 comprise the Company and its subsidiary UniCentre Conferences and Functions Pty Limited (together known as the Consolidated entity). On 31 December 2010, all the assets and liabilities of the subsidiary were transferred to Wollongong UniCentre Limited and a debt of $253,399 was forgiven. Wollongong UniCentre Limited has continued the operations previously performed by the subsidiary UniCentre Conferences & Functions Pty Limited. The subsidiary still exists at 31 December 2011, though liquidation proceedings were commenced on 1 January 2011.

The nature of the operations and principal activities of the Consolidated entity are providing services to students including childcare, entertainment, student engagement activities, retail and food services.

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (AASB) (which includes Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board, the Public Finance and Audit Act 1983 and the *Corporations Act 2001.*

These statements were authorised for issue on the 17th of April 2012.

The financial statements are presented in Australian dollars.

Compliance with IFRS
The financial statements of the Consolidated entity and the Company do not comply with IFRS because the Consolidated entity and the Company have adopted the not for profit requirements of the Australian Accounting Standards which are inconsistent with IFRS requirements.

Historical cost convention
The financial statements have been prepared under the historical cost convention except that the liability for long service leave is adjusted to net present value.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of the Company as at 31 December 2011 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the Consolidated entity. The Company has one subsidiary only, known as UniCentre Conferences and Functions Pty Limited, whose financial statements are included in the Consolidated financial statements.

On 31 December 2010, all the assets and liabilities of the subsidiary were transferred to Wollongong UniCentre Limited and a debt of $253,399 was forgiven. Wollongong UniCentre Limited has continued the operations previously performed by the subsidiary UniCentre Conferences & Functions Pty Limited. The subsidiary still exists at 31 December 2011, though liquidation proceedings were commenced on 1 January 2011.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Inter-entity balances and any income or expenses arising from inter-entity transactions, are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

Subsidiaries are all those entities over which the Consolidated entity has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost in the separate financial statements of the Company.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Consolidated entity and specific criteria have been met for each of the Consolidated entity's activities as described below. The Consolidated entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and rendering of services
Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue from rendering services is recognised when that service has been fully provided.

(ii) Lease income
Lease income from operating leases is recognised as income on a straight-line basis over the lease term.

(iii) Interest income
Interest income is recognised in the income statement as it accrues.

(iv) Dividends
Dividends are recognised as revenue when the right to receive payment is established.

(d) Interest costs

Interest costs comprise interest payable on borrowings, which is recognised in the statement of comprehensive income as it accrues.

(e) Income tax

The operations of the Company are exempt from income tax under Section 50-5 of the *Income Tax Assessment Act (1997).*

The operations of the Company are exempt from payroll tax under Sections 10.1(k) and 10.2 of the *Payroll Tax Act 1971.*

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

1 Summary of significant accounting policies (continued)

(e) Income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised outside profit and loss.

(f) Leases

Leases of property, plant and equipment where the Consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 11). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Consolidated entity will obtain ownership by the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated entity as lessee are classified as operating leases (note 23). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities in the statement of financial position.

(i) Trade and other receivables

Trade and other receivables are recognised at the original invoice amount as this is not materially different to amortised cost, given the short term nature of these receivables.

1 Summary of significant accounting policies (continued)

(i) Trade and other receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Consolidated entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the statement of comprehensive income.

Debt forgiveness is recognised as the amount receivable as at the time the debt is forgiven.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated selling costs.

(k) Investments and other financial assets

Classification
Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Consolidated entity’s management has the positive intention and ability to hold to maturity.

(iv) 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. They are included in non-current assets unless management intends to dispose of the investment within 12 months of reporting date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Consolidated entity 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 through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the statement of comprehensive income as gains and losses from investment securities.

1 Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

Subsequent measurement
Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. 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 statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Consolidated entity's right to receive payment is established.

Fair value
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment
The Consolidated entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income in a subsequent period.

(l) Property, plant and equipment

(i) Owned Assets

Property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Generally property, plant and equipment and intangible assets with a greater value than $5,000 are capitalised except for computer equipment which is normally capitalised irrespective of the $5,000 threshold where it is considered to be part of a network of assets. Other property, plant and equipment items will be capitalised if they are individually less than $5,000 in value only if they collectively with other items exceed $5,000 combined and form one asset item.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

	2011	2010
- Building improvements	5-10 years	5-10 years
- Plant and equipment	3-10 years	3-10 years
- Occupancy contribution	30-40 years	30-40 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1 Summary of significant accounting policies (continued)

(l) Property, plant and equipment (continued)

(ii) Occupancy Contribution

The Company from time to time contributes to the cost of construction of buildings, their improvements and landscaping on land over which it has no security or tenure. These amounts are accounted for in the statement of financial position as Occupancy Contribution, pursuant to an agreement reached with the University of Wollongong. Occupancy Contribution is amortised over 30 years. The Company has the right to occupy these buildings for the life of the asset.

(m) Intangible assets

(i) Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Impairment losses recognised for goodwill are not subsequently reversed.

(ii) Establishment costs
Establishment costs are those costs for the formation of the subsidiary UniCentre Conferences and Functions Pty Limited. Establishment costs are amortised over a period of 5 years.

(iii) Software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

(n) Trade and other payables

Trade and other payables are stated at cost, which is considered to approximate amortised cost due to their short term nature and are recognised when the Consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date and does not expect to settle the liability for at least 12 months after the reporting date.

(p) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

1 Summary of significant accounting policies (continued)

(q) Employee benefits

(i) Wages, salaries and annual leave
Liabilities for wages and salaries (including non-monetary benefits) and annual leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with *AASB 119 Employee Benefits*.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and 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 provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government securities at reporting date which most closely match the terms of maturity of the related liabilities. Leave is charged to the provision at the time leave is taken.

(iii) Superannuation entitlements
Contributions to employee superannuation funds are charged against income as incurred. The Consolidated entity is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

(r) Goods and 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 receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2011 reporting periods and have not yet been applied to the financial statements. The Consolidated entity's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Consolidated entity.

2 Financial risk management objectives and policies

The Consolidated entity's principal financial instruments comprise cash, investments, receivables and payables.

The Consolidated entity manages its exposure to the following financial risks, including credit risk, liquidity risk and market risk relating to interest rate and equity risk in accordance with the Consolidated entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated entity's financial targets whilst protecting future financial security.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports to the Board on its activities.

(a) Market risk

(i) Foreign currency risk
The Consolidated entity's only exposure to foreign currency risk is in relation to purchases of UniShop stock from overseas. These purchases are normally each less than $1,000 and in total are not material to the operations of UniShop as an individual business unit or to the Consolidated Entity. Sale price of these goods is set after the goods are paid for, thus the Australian Dollar amount is known, effectively passing on any foreign exchange cost or benefit to the customer.

(ii) Price risk
The Consolidated entity and the parent entity maybe exposed to equity securities price risk. This arises from investments that may be held by the Consolidated entity and classified on the statement of financial position as fair value through profit or loss. At reporting date, the value of the securities was nil (2010: $nil). Neither the Consolidated entity nor the parent entity are exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, investments held by the Consolidated entity are diversified.

(iii) Cash flow and fair value interest rate risk
Interest Rate Risk is limited to interest on the balance of the National Australia Bank accounts, shown as cash and cash equivalents in Note 8. The forecast at the end of 2012 is an increase or decrease of 1% based on the current Reserve Bank of Australia cash rate of 4.25%. The Consolidated entity's trade and other receivables are non-interest bearing and all related party loans and receivables are interest free. Interest rates on Commercial Hire Purchase finance are fixed at the time of drawdown of each individual loan within the umbrella facility. The Consolidated entity's trade and other payables are non-interest bearing.

2 Financial risk management objectives and policies (continued)

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the Consolidated entity's financial assets and financial liabilities to interest rate risk and price risk.

Consolidated		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2011	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	3,369,350	(33,693)	(33,693)	33,693	33,693	-	-	-	-
Accounts receivable	752,820	-	-	-	-	-	-	-	-
Financial liabilities									
Borrowings	1,886,668	-	-	-	-	-	-	-	-
Trade payables	2,655,977	-	-	-	-	-	-	-	-
Other financial liabilities	123,884	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(33,693)	(33,693)	33,693	33,693	-	-	-	-

Consolidated		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2010	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	2,402,925	(24,029)	(24,029)	24,029	24,029	-	-	-	-
Accounts receivable	573,627	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	1,583,456	-	-	-	-	-	-	-	-
Other financial liabilities	130,926	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(24,029)	(24,029)	24,029	24,029	-	-	-	-

Parent		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2011	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	3,369,350	(33,693)	(33,693)	33,693	33,693	-	-	-	-
Accounts receivable	752,820	-	-	-	-	-	-	-	-
Financial liabilities									
Borrowings	1,886,668	-	-	-	-	-	-	-	-
Trade payables	2,655,978	-	-	-	-	-	-	-	-
Other financial liabilities	123,884	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(33,693)	(33,693)	33,693	33,693	-	-	-	-

Parent		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2010	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	2,402,925	(24,029)	(24,029)	24,029	24,029	-	-	-	-
Accounts receivable	573,627	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	1,583,459	-	-	-	-	-	-	-	-
Other financial liabilities	130,926	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(24,029)	(24,029)	24,029	24,029	-	-	-	-

2 Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk refers to the risk that indebted counter parties will default on their contractual obligations, resulting in financial loss to the consolidated entity. Credit risk is monitored on an ongoing basis. The majority of the consolidated entity's business is conducted by cash or EFTPOS, and consequently the level of credit risk is low. In addition, the majority of trade and other debtors are with related entities. The consolidated entity does not require collateral in respect of financial assets. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9.

Investments are allowed only in liquid securities. All funds invested are invested with the National Australia Bank and Man Investments Australia - Man OM-IP fund. The Man OM-IP funds are designed to provide a high degree of independence from the performance of traditional asset classes in rising and falling markets, while providing the security of a capital guarantee and rising guarantee provided by either Westpac, National Australia Bank or Commonwealth Bank of Australia.

The weighted average interest rate on interest earned by the Consolidated entity is 4.66% (2010: 4.21%).

At reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk by class of recognised financial assets is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Details with respect to credit risk of trade and other receivables are provided in Note 9.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities
The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of each reporting period.

Consolidated 2011	**Less than 6 months** $	**6 - 12 months** $	**Between 1 and 2 years** $	**Between 2 and 5 years** $	**Over 5 years** $	**Total contractual cash flows** $	**Carrying Amount** $
Financial liabilities							
Trade payables	2,655,977	-	-	-	-	2,655,977	2,655,977
Borrowings	449,001	9,000	18,000	1,482,667	26,045	1,984,713	1,984,713
Total financial liabilities	3,104,978	9,000	18,000	1,482,667	26,045	4,640,690	4,640,690

Consolidated 2010	Less than 6 months $	6 - 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying Amount $
Financial liabilities							
Trade payables	1,583,456	-	-	-	-	1,583,456	1,583,456
Borrowings	9,000	9,000	18,000	36,000	44,045	116,045	116,045
Total financial liabilities	1,592,456	9,000	18,000	36,000	44,045	1,699,501	1,699,501

2 Financial risk management objectives and policies (continued)

Parent 2011	**Less than 6 months** **$**	**6 - 12 months** **$**	**Between 1 and 2 years** **$**	**Between 2 and 5 years** **$**	**Over 5 years** **$**	**Total contractual cash flows** **$**	**Carrying Amount** **$**
Financial liabilities							
Trade payables	2,655,978	-	-	-	-	2,655,978	2,655,978
Borrowings	449,001	9,000	18,000	1,464,667	44,045	1,984,713	1,984,713
Total financial liabilities	3,104,979	9,000	18,000	1,464,667	44,045	4,640,691	4,640,691

Parent 2010	Less than 6 months $	6 - 12 months $	Between 1 and 2 years $	Bteween 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying Amount $
Financial liabilities							
Trade payables	1,583,459	-	-	-	-	1,583,459	1,583,459
Borrowings	9,000	9,000	18,000	18,000	62,045	116,045	116,045
Total financial liabilities	1,592,459	9,000	18,000	18,000	62,045	1,699,504	1,699,504

(d) Fair value estimation

The fair value of the consolidated entity's financial instruments is equal to their carrying amounts as presented in the statement of financial position.

3 Revenue

	Consolidated		**Parent entity**	
	2011 **$**	2010 $	**2011** **$**	2010 $
From continuing operations				
Sales revenue				
Sale of goods	**12,835,280**	11,520,623	**12,835,280**	11,520,623
Provision of services	**4,343,032**	5,764,690	**4,343,032**	4,813,262
	17,178,312	17,285,313	**17,178,312**	16,333,885
Other revenue				
Interest	**194,772**	182,205	**194,772**	154,224
Grants received - related parties	**235,001**	185,001	**235,001**	185,001
Rental income	**724,997**	584,376	**724,997**	584,376
	1,154,770	951,582	**1,154,770**	923,601
	18,333,082	18,236,895	**18,333,082**	17,257,486

4 Gain/(loss) on disposal of assets

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Gain on disposal of assets	**455**	12,690	**455**	12,690
Fair value loss on financial assets at fair value through profit or loss	**-**	(481)	**-**	(481)
Other income	**10,696**	-	**10,696**	-
	11,151	12,209	**11,151**	12,209

5 Change in prior year comparatives

In the current year management changed the classification of certain accounts between expenses and other income to improve the presentation and disclosure in the statement of comprehensive income. The change in classification had no impact on the comparative net profit or the statement of financial position. The impact of the change in classification is shown in the tables below.

Consolidated	**31 December 2010 (As shown previously)**	**Increase/ (Decrease)**	**31 December 2010 (As presented now)**
	$	$	$
Statement of Comprehensive Income (extract)			
Revenue from continuing operations	17,857,375	379,520	18,236,895
Other expenses	(2,228,908)	(379,520)	(2,608,428)
Profit for the year	**385,750**	**-**	**385,750**

Parent entity	**31 December 2010 (As shown previously)**	**Increase/ (Decrease)**	**31 December 2010 (As presented now)**
	$	$	$
Statement of Comprehensive Income (extract)			
Revenue from continuing operations	17,069,620	187,866	17,257,486
Other expenses	(2,056,526)	(187,866)	(2,244,392)
Profit for the year	**277,597**	**-**	**277,597**

6 Expenses

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
(a) Employee benefits expense				
Wages and salaries	**6,965,338**	6,414,501	**6,965,338**	6,394,151
Annual leave expense	**387,028**	377,679	**387,028**	377,666
Long service leave expense	**127,558**	66,058	**127,558**	66,058
Superannuation contributions	**579,159**	560,451	**579,159**	551,020
Payroll tax	**-**	35,847	**-**	-
Workers compensation expense	**140,571**	189,311	**140,571**	189,311
Other employee benefits	**61,520**	52,853	**61,520**	51,350
	8,261,174	7,696,700	**8,261,174**	7,629,556
(b) Depreciation and amortisation				
Buildings	**280,191**	220,688	**280,191**	220,688
Plant and equipment	**191,565**	153,803	**191,565**	153,803
Motor vehicles	**-**	1,130	**-**	1,130
Computer equipment	**1,192**	2,928	**1,192**	2,928
Total depreciation	**472,948**	378,549	**472,948**	378,549
Amortisation				
Occupancy contribution	**292,739**	253,785	**292,739**	253,785
Total amortisation	**292,739**	253,785	**292,739**	253,785
Total depreciation and amortisation	**765,687**	632,334	**765,687**	632,334
(c) Other expenses				
Consultant fees	**227,282**	208,889	**227,282**	203,314
Maintenance	**279,042**	202,924	**279,042**	178,609
Advertising & Promotional	**117,309**	152,709	**117,309**	141,114
Computer Rental	**100,813**	125,758	**100,813**	119,160
Room hire discount	**79,052**	112,589	**79,052**	-
Audit fees	**90,004**	73,580	**90,004**	59,230
Security	**85,369**	87,270	**85,369**	83,195
Other	**1,662,269**	1,644,709	**1,662,267**	1,206,371
Debt forgiven	**-**	-	**-**	253,399
	2,641,140	2,608,428	**2,641,138**	2,244,392

7 Income tax expense

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
(a) Current tax				
Deferred tax	**-**	66,756	**-**	-
	-	66,756	**-**	-
Deferred tax comprises:				
Origination and reversal of temporary differences	**-**	66,756	**-**	-
	-	66,756	**-**	-

7 Income tax expense (continued)

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit before income tax	**177,383**	452,506	**177,385**	277,597
Tax at the Australian tax rate of 30% (2010 - 30%)	**53,215**	135,752	**53,216**	83,279
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Deferred tax asset not recognised	**-**	90,216	**-**	-
Non-assessable income	**(53,215)**	(159,299)	**(53,216)**	(83,279)
Sundry items	**-**	87	**-**	-
Total income tax expense	**-**	66,756	**-**	-

8 Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Cash at bank and on hand	**3,369,350**	2,402,926	**3,369,350**	2,402,926

9 Current assets - Trade and other receivables

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Trade receivables	**752,820**	630,449	**752,820**	630,449
Sundry debtors	**-**	29,413	**-**	29,413
Goods and Services Tax	**9,509**	32,811	**9,509**	32,811
Provision for impairment of receivables	**(12,101)**	(4,322)	**(12,101)**	(4,322)
Prepayments	**35,837**	25,087	**35,837**	25,087
	786,065	713,438	**786,065**	713,438

(a) Impaired trade receivables

As at 31 December 2011 current trade receivables of the Consolidated entity with a nominal value of $187,076 (2010: $71,964) were past due. Of this past due amount, $12,101 (2010: $4,322) was considered impaired and provided for. The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations.

The ageing of these receivables is as follows:

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Over 6 months	**12,101**	4,322	**12,101**	4,322
	12,101	4,322	**12,101**	4,322

9 Current assets - Trade and other receivables (continued)

As of 31 December 2011, trade receivables of $174,975 (2010: $67,672) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
1 to 3 months	**87,637**	31,249	**87,637**	31,249
3 to 6 months	**55,400**	23,808	**55,400**	23,808
Over 6 months	**31,938**	12,585	**31,938**	12,585
	174,975	67,642	**174,975**	67,642

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
At 1 January	**(4,322)**	(18,188)	**(4,322)**	-
Provision for impairment recognised during the year	**(7,779)**	(91,428)	**(7,779)**	(91,428)
Receivables written off during the year as uncollectible	**-**	105,294	**-**	87,106
At 31 December	**(12,101)**	(4,322)	**(12,101)**	(4,322)

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Information about the Consolidated entity’s and the Company’s exposure to credit risk, foreign currency and interest rate risk is provided in Note 2.

10 Current assets - Inventories

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Inventories				
- at cost	**2,290,730**	2,324,706	**2,290,730**	2,324,706
	2,290,730	2,324,706	**2,290,730**	2,324,706

Write-downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2011 amounted to $33,976 (2010: $26,095). The expense has been included in ‘raw materials and consumables used’ in profit or loss.

11 Non-current assets - Property, plant and equipment

Parent and consolidated	Building improvements $	Occupancy contribution $	Plant and equipment $	Computer equipment $	Motor vehicles $	Total $
At 1 January 2010						
Cost or fair value	3,604,603	7,621,138	1,316,011	26,486	39,091	12,607,329
Accumulated depreciation	(2,158,484)	(2,833,203)	(694,256)	(20,991)	(37,961)	(5,744,895)
Net book amount	1,446,119	4,787,935	621,755	5,495	1,130	6,862,434
Year ended 31 December 2010						
Opening net book amount	1,446,119	4,787,935	621,755	5,495	1,130	6,862,434
Additions	390,418	-	166,148	-	-	556,566
Disposals	-	-	(343)	-	-	(343)
Depreciation charge	(220,688)	(253,785)	(153,803)	(2,928)	(1,130)	(632,334)
Closing net book amount	1,615,849	4,534,150	633,757	2,567	-	6,786,323
At 31 December 2010						
Cost or fair value	3,995,021	7,621,137	1,481,816	26,486	39,091	13,163,551
Accumulated depreciation	(2,379,172)	(3,086,987)	(848,059)	(23,919)	(39,091)	(6,377,228)
Net book amount	1,615,849	4,534,150	633,757	2,567	-	6,786,323

Parent and consolidated	Building improvements $	Occupancy contribution $	Plant and equipment $	Computer equipment $	Motor vehicles $	Total $
Year ended 31 December 2011						
Opening net book amount	1,615,849	4,534,150	633,757	2,567	-	6,786,323
Additions	422,138	2,249,248	300,145	-	-	2,971,531
Disposals	-	-	(32,855)	-	-	(32,855)
Depreciation charge	(280,191)	(292,739)	(191,565)	(1,192)	-	(765,687)
Closing net book amount	1,757,796	6,490,659	709,482	1,375	-	8,959,312
At 31 December 2011						
Cost or fair value	4,431,855	9,821,137	1,776,529	26,486	39,091	16,095,098
Accumulated depreciation	(2,674,059)	(3,330,478)	(1,067,047)	(25,111)	(39,091)	(7,135,786)
Net book amount	1,757,796	6,490,659	709,482	1,375	-	8,959,312

12 Non-current assets - Intangible assets

Consolidated	Goodwill $	Computer software $	Establishment costs $	Total $
At 1 January 2010				
Cost	123,103	-	6,506	129,609
Accumulated amortisation and impairment	(103,000)	-	(6,506)	(109,506)
Net book amount	20,103	-	-	20,103
Year ended 31 December 2010				
Opening net book amount	20,103	-	-	20,103
Additions	-	-	-	-
Amortisation charge	-	-	-	-
Closing net book amount	20,103	-	-	20,103
At 31 December 2010				
Cost	123,103	-	6,506	129,609
Accumulated amortisation and impairment	(103,000)	-	(6,506)	(109,506)
Net book amount	20,103	-	-	20,103

Consolidated	Goodwill $	Computer software $	Establishment costs $	Total $
Year ended 31 December 2011				
Opening net book amount	20,103	-	-	20,103
Additions	-	15,008	-	15,008
Amortisation charge	-	-	-	-
Closing net book amount	20,103	15,008	-	35,111
At 31 December 2011				
Cost	123,103	15,008	6,506	144,617
Accumulated amortisation and impairment	(103,000)	-	(6,506)	(109,506)
Net book amount	20,103	15,008	-	35,111

12 Non-current assets - Intangible assets (continued)

Parent	Goodwill $	Computer software $	Total $
At 1 January 2010			
Cost	123,103	-	123,103
Accumulated amortisation and impairment	(103,000)	-	(103,000)
Net book amount	20,103	-	20,103
Year ended 31 December 2010			
Opening net book amount	20,103	-	20,103
Additions	-	-	-
Amortisation charge	-	-	-
Closing net book amount	20,103	-	20,103
At 31 December 2010			
Cost	123,103	-	123,103
Accumulated amortisation and impairment	(103,000)	-	(103,000)
Net book amount	20,103	-	20,103
Year ended 31 December 2011			
Opening net book amount	20,103	-	20,103
Additions	-	15,008	15,008
Amortisation charge	-	-	-
Closing net book amount	20,103	15,008	35,111
At 31 December 2011			
Cost	123,103	15,008	144,617
Accumulated amortisation and impairment	(103,000)	-	(109,506)
Net book amount	20,103	15,008	35,111

13 Current liabilities - Trade and other payables

	Consolidated		Parent entity	
	2011 $	2010 $	**2011 $**	2010 $
Accrued expenses	**1,796,856**	1,029,123	**1,796,856**	1,029,126
Sundry creditors	**859,121**	554,333	**859,122**	554,333
	2,655,977	1,583,456	**2,655,978**	1,583,459

Information about the Consolidated entity's and the Company's exposure to foreign exchange risk is provided in Note 2.

14 Current liabilities - Borrowings

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Unsecured				
Loans from related parties*	**440,001**	-	**440,001**	-
Total unsecured current borrowings	**440,001**	-	**440,001**	-
Total current borrowings	**440,001**	-	**440,001**	-

* Further information relating to loans from related parties is set out in note 24.

15 Current liabilities - Provisions

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Employee benefits - long service leave	**379,835**	331,591	**379,835**	331,591
Employee benefits - annual leave	**397,050**	393,285	**397,050**	393,285
	776,885	724,876	**776,885**	724,876

(a) Amounts not expected to be settled within the next 12 months

The current provision for long service leave and annual leave includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current. Based on past experience, the Consolidated and Parent entities do not expect all employees to take the full amount of accrued long service leave and annual leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Long service leave obligation expected to be settled after 12 months	**309,066**	254,233	**309,066**	254,233
Annual leave obligation expected to be settled after 12 months	**10,423**	31,063	**10,423**	31,063

Expense recognised in the profit or loss

Movements in provisions for annual leave and long service leave are included in the profit or loss as employee benefits expense, as outlined in Note 6.

Superannuation

The Consolidated entity makes contributions to various third party defined contribution superannuation funds. Contributions are included in the income statement as employee benefit expense, as outlined in Note 6. The consolidated entity does not contribute to, or have any connection with, any defined benefit superannuation funds.

16 Current liabilities - Other liabilities

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Commonwealth Department of Health and Ageing Loan	**18,000**	18,000	**18,000**	18,000
Deposits held	**25,839**	14,881	**25,839**	14,881
Income in advance	**139,934**	158,047	**139,934**	158,047
	183,773	190,928	**183,773**	190,928

The Company has responsibility for repayment of a loan, made by the Commonwealth Department of Health and Ageing to the University of Wollongong, to finance, in part, extensions to the Children's Services Centre.

17 Non-current liabilities - Borrowings

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Unsecured				
Loans from related parties*	**1,446,667**	-	**1,446,667**	-
Total unsecured non-current borrowings	**1,446,667**	-	**1,446,667**	-
Total non-current borrowings	**1,446,667**	-	**1,446,667**	-

* Further information relating to loans from related parties is set out in note 24.

18 Non-current liabilities - Provisions

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Employee benefits - long service leave	**223,661**	179,081	**223,661**	179,081
	223,661	179,081	**223,661**	179,081

19 Non-current liabilities - Other liabilities

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Commonwealth Department of Health and Ageing Loan	**80,045**	98,045	**80,045**	98,045
Income in advance	**39,735**	54,669	**39,735**	54,669
	119,780	152,714	**119,780**	152,714

The Company has responsibility for repayment of a loan, made by the Commonwealth Department of Health and Ageing to the University of Wollongong, to finance, in part, extensions to the Children's Services Centre.

20 Retained earnings

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Balance 1 January	**9,416,441**	9,030,691	**9,416,439**	9,138,842
Net profit for the year	**177,383**	385,750	**177,385**	277,597
Balance 31 December	**9,593,824**	9,416,441	**9,593,824**	9,416,439

21 Key management personnel disclosures

(a) Directors

The following persons were directors of Wollongong Unicentre Limited during the financial year:

(i) Executive Chairman
Chris Grange

(ii) Executive Director
Michael Gillmore

(iii) Non-executive Directors
Jo-Ann Fisher
Brian Ward
Mary Youssif
Claudia Perry-Beltrame (resigned 5 May 2011)
Theresa Hoynes (appointed 8 October 2011)
Eloise Young (appointed 8 October 2011)
James Parrish
Ian Murray
Matt Greiss
Dean Young
Walter Immoos

Apart from the details disclosed in this note, no director has entered into a material contract with UniCentre or UniCentre Conferences and Functions Pty Limited since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

(b) Remuneration of Executive Officers

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Remuneration payments made to Executive Officers				
Short-term employee benefits	**203,093**	197,263	**203,093**	197,263
Post-employment benefits	**27,254**	23,622	**27,254**	23,622
	230,347	220,885	**230,347**	220,885

22 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent and consolidated entities:

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
(a) Audit services				
Audit Office of NSW				
Audit of financial statements	**59,700**	73,580	**59,700**	59,230
Total remuneration for audit and other services	**59,700**	73,580	**59,700**	59,230

There will be additional costs relating to the audit of UniCentre Conferences and Functions Pty Limited for the current year.

23 Commitments

(a) Lease commitments

(i) Operating lease commitments - Consolidated entity as lessee
Future Non-Cancellable Operating Lease Rentals of Plant and Equipment

The Consolidated entity has entered into a commercial lease for computer equipment. The lease is for three years. There are no restrictions placed upon the lessee by entering into these leases.

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**90,744**	69,252	**90,744**	69,252
Later than one year but not later than five years	**28,844**	69,252	**28,844**	69,252
	119,588	138,504	**119,588**	138,504

(ii) Operating lease commitments receivable - Consolidated entity as lessor
The Consolidated entity has entered into commercial property leases for office space and food outlets.

These non-cancellable leases have remaining terms of between one and five years. Leases are based on net sales or fixed amounts with a clause included to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future minimum lease payments receivable under non cancellable operating leases in the aggregate and for each of the following periods are:

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Within one year	**493,451**	140,650	**493,451**	140,650
Later than one year but not later than five years	**711,294**	88,962	**711,294**	88,962
	1,204,745	229,612	**1,204,745**	229,612

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of $234,230 (2010: $211,866) was received by the Company.

23 Commitments (continued)

(iii) Hire purchase commitments - Consolidated entity as lessee
The Commercial Hire Purchase Liability is an umbrella facility of up to $500,000 that the Company can draw on for the purchase of equipment. It is renewable every 12 months. Interest is payable on each drawdown within the facility at the market rate prevailing at the time of the drawdown. As at 31 December 2011 the unused portion of the facility was $500,000 (2010: $500,000) and the portion of the facility in use was nil (2010: nil).

(b) Capital commitments

The Consolidated entity has a contractual obligation to purchase within the next 12 months, $194,275 of plant and equipment at reporting date (2010: $2,000,000).

24 Related party transactions

(a) Directors' Transactions with UniCentre and its Subsidiary

From time to time Directors of related parties or their Director-related entities may purchase goods or services from UniCentre or its Subsidiary. These purchases are on the same terms and conditions as those entered into by the employees of UniCentre and its subsidiary, or customers and are trivial or domestic in nature.

(b) Transactions with related parties

UniCentre has a related party relationship with its subsidiary UniCentre Conferences and Functions Pty Limited. It also has related party relationships with the following entities:

The University of Wollongong (Ultimate Controlling Entity)
Illawarra Technology Corporation Limited
University of Wollongong Recreation and Aquatic Centre

Transactions with the controlling entity The University of Wollongong were as follows:

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Sales of goods and services				
Sales	**1,231,272**	1,527,160	**1,231,272**	911,642
Rent received	**134,505**	134,505	**134,505**	134,505
Commissions	**83,554**	79,213	**83,554**	79,213
Grants for specific purposes	**235,000**	185,000	**235,000**	185,000
	1,684,331	1,925,878	**1,684,331**	1,310,360

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Purchases of goods				
Goods and services	**968,362**	584,378	**968,362**	584,378
Contribution to general manager's salary	**106,154**	100,607	**106,154**	100,607
	1,074,516	684,985	**1,074,516**	684,985

From time to time Related Parties of the University of Wollongong, including Illawarra Technology Corporation Limited (ITC) and the University of Wollongong Recreation & Aquatic Centre Limited (URAC) may enter into transactions with the Controlled Entity. These transactions are on the same terms and conditions as those entered into by the Company's employees or customers.

From time to time Directors of related parties or their Director-related entities may purchase goods or services from the Consolidated entity. These purchases are on the same terms and conditions as those entered into by the Company's employees or customers.

24 Related party transactions (continued)

(c) Outstanding balances arising from sales/purchases of goods and services

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Current receivables (sales of goods and services)				
Trade receivables	**405,044**	330,724	**405,044**	330,724
Current payables (purchases of goods)				
Trade creditors	**16,229**	84,574	**16,229**	84,574
Payables (loans)				
Current portion - loan from University of Wollongong	**440,001**	-	**440,001**	-
Non-current portion - loan from University of Wollongong	**1,446,667**	-	**1,446,667**	-
	1,886,668	-	**1,886,668**	-

The loan from University of Wollongong accrues interest on the outstanding balance at 6% per annum, is unsecured and due to be repaid in full by August 2016.

25 Transfer of assets and liabilities from subsidiary

On 31 December 2010 the parent entity acquired all the assets of its subsidiary UniCentre Conferences and Functions Pty Limited.

(a) Assets and liabilities transferred

Details of the value of the assets and liabilities transferred are as follows:

	Fair value
	$
Cash	**319,622**
Trade receivables	**221,173**
Inventories	**24,004**
Trade payables	**(564,799)**
Net assets	**-**

26 Economic dependency

The Consolidated entity's trading activities do not depend on a major customer or supplier. However, the Consolidated entity is economically dependent on the continued existence of the University of Wollongong. The Company has also guaranteed the financial support of its subsidiary, Unicentre Conferences and Functions Pty Limited.

27 Events occurring after balance date

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

28 Reconciliation of profit after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2011	2010	**2011**	2010
	$	$	**$**	$
Profit for the year	**177,383**	385,750	**177,385**	277,597
Depreciation	**472,948**	378,550	**472,948**	378,550
Amortisation of occupancy contribution	**292,739**	253,784	**292,739**	253,784
Bad debt written off	**-**	(105,294)	**-**	(91,428)
Debt forgiven	**-**	-	**-**	(253,399)
Net gain on sale of non-current assets	**(455)**	(12,690)	**(455)**	(12,690)
Fair value losses on financial assets at fair value through profit or loss	**-**	481	**-**	481
Change in operating assets and liabilities				
Decrease in inventories	**33,976**	31,777	**33,976**	8,336
Decrease (increase) in prepayments/other debtors	**41,965**	(13,798)	**41,965**	69,191
(Increase) decrease in trade/term debtors	**(122,371)**	247,924	**(122,371)**	(109,808)
Decrease in deferred tax assets	**-**	66,756	**-**	-
(Increase)/decrease in bad debts allowance	**7,779**	91,428	**7,779**	87,106
Increase (decrease) in trade creditors/accruals	**1,072,521**	(2,570,968)	**1,072,519**	(1,172,211)
Increase (decrease) in other operating liabilities	**10,958**	(4,900)	**10,958**	(4,900)
(Decrease) increase in income in advance	**(33,047)**	9,885	**(33,047)**	9,884
Decrease in tax receivables	**-**	27,207	**-**	-
Increase (decrease) in other provisions	**96,589**	(18,388)	**96,589**	19,613
Net cash inflow (outflow) from operating activities	**2,050,985**	(1,232,496)	**2,050,985**	(539,894)

29 Contingent assets and liabilities

There were no known contingent assets or liabilities existing at reporting date.

30 Consolidated entities

Ultimate Parent Entity

University of Wollongong

Parent Entity

Wollongong UniCentre Limited

Subsidiary

UniCentre Conferences and Functions Pty Limited

Country of Incorporation: Australia

Ownership Interest: 100% (2010: 100%)

END OF AUDITED FINANCIAL REPORT

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