



**UTS**  
**Annual Report**

Financial statements

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# University of Technology Sydney

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## Statement by appointed officers

### STATEMENT BY APPOINTED OFFICERS

#### Statement in accordance with section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution of the Council of the University of Technology Sydney and pursuant to section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. the financial statements present a true and fair value of the financial position of the University at 31 December 2018 and the results of its operations and transactions of the University for the year then ended
2. the financial statements have been prepared in accordance with the provisions of the New South Wales *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015* and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period" issued by the Australian Government Department of Education and Training
3. the financial statements have been prepared in accordance with Australian Accounting Standards (AASB), AASB interpretations and other mandatory professional reporting requirements
4. we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate
5. there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due
6. the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted, and
7. the University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial statements.



A J Brungs  
Vice-Chancellor



Catherine Livingstone AO  
Chancellor  
UTS Council

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### University of Technology Sydney

To Members of the New South Wales Parliament and Members of University of Technology Sydney.

#### Opinion

I have audited the accompanying financial statements of University of Technology Sydney (the University), which comprise, the Income Statement and the Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, Statements 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 of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2018, and of their 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* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## Independent auditor's report (continued)

### Other Information

Other information comprises the information included in the University's annual report for the year ended 31 December 2018, other than the financial statements and my Independent Auditor's Report thereon. The members of the Council of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Members of Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### University Council's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

## Independent auditor's report (continued)

My opinion does *not* provide assurance:

- that the University carried out its activities effectively, efficiently and economically
- 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.



Caroline Karakatsanis  
Director, Financial Audit Services

18 April 2019  
SYDNEY

# Income statement

for the year ended 31 December 2018

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2.1	282,102	272,635	282,102	272,635
HELP — Australian Government payments	2.1	223,722	216,228	208,599	198,051
State and local government financial assistance					
HECS-HELP — student payments	2.2	5,886	4,510	5,886	4,510
Fees and charges	2.3	496,337	434,393	419,389	357,678
Investment income	2.4	7,900	7,811	6,188	6,132
Royalties, trademarks and licences	2.5	46	108	39	105
Consultancy and contracts	2.6	34,291	29,859	34,765	29,947
Other revenue	2.7	28,924	23,169	48,419	41,635
Share of profit or (loss) on investments accounted for using the equity method	14	1,233	977	–	–
Other income	2.7	23,155	21,418	24,738	23,557
<b>Total income from continuing operations</b>		<b>1,123,190</b>	<b>1,030,419</b>	<b>1,049,719</b>	<b>953,561</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	3.1	617,897	554,056	566,268	505,546
Depreciation and amortisation	3.2	96,695	87,921	90,968	82,063
Repairs and maintenance	3.3	14,940	15,219	14,607	14,869
Borrowing costs	4	7,452	10,513	7,452	10,436
Impairment of assets	3.4	419	66	495	358
Losses on disposal of assets	5	102	302	82	317
Deferred superannuation expense	3.1	270	104	270	104
Other expenses	3.5	318,178	289,368	294,875	261,832
<b>Total expenses from continuing operations</b>		<b>1,055,953</b>	<b>957,549</b>	<b>975,017</b>	<b>875,525</b>
<b>Net result before income tax from continuing operations</b>		<b>67,237</b>	<b>72,870</b>	<b>74,702</b>	<b>78,036</b>
Income tax expense	6	(20)	57	–	–
<b>Net result from continuing operations (after tax)</b>		<b>67,257</b>	<b>72,813</b>	<b>74,702</b>	<b>78,036</b>
<b>Net result attributable to members of the University of Technology Sydney</b>		<b>67,257</b>	<b>72,813</b>	<b>74,702</b>	<b>78,036</b>
Net result attributable to members from:					
continuing operations		67,257	72,813	74,702	78,036
<b>Total</b>		<b>67,257</b>	<b>72,813</b>	<b>74,702</b>	<b>78,036</b>

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



# Statement of comprehensive income

for the year ended 31 December 2018

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Net result after income tax for the period</b>		67,257	72,813	74,702	78,036
<b>Retrospective changes due to adoption of AASB 9</b>	11	10,902	-	10,902	-
<b>Items that will be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	22 (b)	65	(55)	-	-
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	22 (b)	-	5,174	-	5,174
Gain/(loss) on cash flow hedges, net of tax	22 (b)	1,166	3,205	1,166	3,205
<b>Total items that will be reclassified to profit or loss</b>		1,231	8,324	1,166	8,379
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation of property, plant and equipment, net of tax	22 (b)	42,642	71,804	42,642	71,804
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax		9,048	-	9,048	-
Net actuarial gains/(losses) recognised in respect of defined benefit plans	25	222	299	222	299
<b>Total items that will not be reclassified to profit or loss</b>		51,912	72,103	51,912	72,103
<b>Total comprehensive income attributable to members of the University of Technology Sydney</b>		<b>131,302</b>	<b>153,240</b>	<b>138,682</b>	<b>158,518</b>
Total comprehensive income attributable to members from:					
continuing operations		131,302	153,240	138,682	158,518
<b>Total</b>		<b>131,302</b>	<b>153,240</b>	<b>138,682</b>	<b>158,518</b>

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

# Statement of financial position

as at 31 December 2018

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	213,771	265,471	147,699	188,613
Receivables	10	26,318	27,284	26,322	28,778
Other financial assets	11	15,045	14,132	15,045	14,132
Other non-financial assets	12	24,738	23,494	19,364	18,560
<b>Total current assets</b>		<b>279,872</b>	<b>330,381</b>	<b>208,430</b>	<b>250,083</b>
<b>Non-current assets</b>					
Receivables	10	603,200	597,142	603,200	597,142
Investments accounted for using the equity method	14	5,483	4,871	-	-
Other financial assets	11	37,375	17,459	40,463	20,513
Other non-financial assets	12	15,327	15,050	15,327	15,050
Property, plant and equipment	15	2,242,396	2,051,611	2,226,044	2,035,820
Intangible assets	16	37,493	33,022	32,715	28,608
<b>Total non-current assets</b>		<b>2,941,274</b>	<b>2,719,155</b>	<b>2,917,749</b>	<b>2,697,133</b>
<b>Total assets</b>		<b>3,221,146</b>	<b>3,049,536</b>	<b>3,126,179</b>	<b>2,947,216</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	17	84,854	68,457	81,411	65,543
Borrowings	18	5,117	4,559	5,117	4,559
Provisions	19	112,071	105,678	106,927	101,198
Other financial liabilities	20	-	-	-	-
Other liabilities	21	72,684	68,518	43,682	38,892
<b>Total current liabilities</b>		<b>274,726</b>	<b>247,212</b>	<b>237,137</b>	<b>210,192</b>
<b>Non-current liabilities</b>					
Borrowings	18	302,640	303,209	302,640	303,209
Provisions	19	653,040	639,677	647,299	633,394
Other financial liabilities	20	-	-	-	-
<b>Total non-current liabilities</b>		<b>955,680</b>	<b>942,886</b>	<b>949,939</b>	<b>936,603</b>
<b>Total liabilities</b>		<b>1,230,406</b>	<b>1,190,098</b>	<b>1,187,076</b>	<b>1,146,795</b>
<b>Net assets</b>		<b>1,990,740</b>	<b>1,859,438</b>	<b>1,939,103</b>	<b>1,800,421</b>
<b>Equity</b>					
<b>Parent entity interest</b>					
Reserves	22(a)	902,924	839,101	903,594	839,836
Retained earnings	22(d)	1,087,816	1,020,337	1,035,509	960,585
<b>Total equity</b>		<b>1,990,740</b>	<b>1,859,438</b>	<b>1,939,103</b>	<b>1,800,421</b>

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 2018

	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>			
Balance at 1 January 2017	758,973	947,225	1,706,198
Retrospective changes	-	-	-
<b>Balance as restated</b>	<b>758,973</b>	<b>947,225</b>	<b>1,706,198</b>
Net result after income tax	-	72,813	72,813
Exchange differences on translation of foreign operations	(55)	-	(55)
Gain/(loss) on revaluation of available for sale financial assets	5,174	-	5,174
Gain/(loss) on revaluation of property, plant and equipment	71,804	-	71,804
Gain/(loss) on cash flow hedges	3,205	-	3,205
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	299	299
<b>Total comprehensive income</b>	<b>80,128</b>	<b>73,112</b>	<b>153,240</b>
<b>Balance at 31 December 2017</b>	<b>839,101</b>	<b>1,020,337</b>	<b>1,859,438</b>
<b>Balance at 1 January 2018</b>	<b>839,101</b>	<b>1,020,337</b>	<b>1,859,438</b>
Retrospective changes	10,902	-	10,902
<b>Balance as restated</b>	<b>850,003</b>	<b>1,020,337</b>	<b>1,870,340</b>
Net result after income tax	-	67,257	67,257
Exchange differences on translation of foreign operations	65	-	65
Gain/(loss) on financial assets at fair value through OCI	9,048	-	9,048
Gain/(loss) on revaluation of property, plant and equipment	42,642	-	42,642
Gain/(loss) on cash flow hedges	1,166	-	1,166
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	222	222
<b>Total comprehensive income</b>	<b>52,921</b>	<b>67,479</b>	<b>120,400</b>
<b>Balance at 31 December 2018</b>	<b>902,924</b>	<b>1,087,816</b>	<b>1,990,740</b>
<b>Parent</b>			
Balance at 1 January 2017	759,653	882,250	1,641,903
Retrospective changes	-	-	-
<b>Balance as restated</b>	<b>759,653</b>	<b>882,250</b>	<b>1,641,903</b>
Net result after income tax	-	78,036	78,036
Exchange differences on translation of foreign operations	-	-	-
Gain/(loss) on revaluation of available for sale financial assets	5,174	-	5,174
Gain/(loss) on revaluation of property, plant and equipment	71,804	-	71,804
Gain/(loss) on cash flow hedges	3,205	-	3,205
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	299	299
<b>Total comprehensive income</b>	<b>80,183</b>	<b>78,335</b>	<b>158,518</b>
<b>Balance at 31 December 2017</b>	<b>839,836</b>	<b>960,585</b>	<b>1,800,421</b>
<b>Balance at 1 January 2018</b>	<b>839,836</b>	<b>960,585</b>	<b>1,800,421</b>
Retrospective changes	10,902	-	10,902
<b>Balance as restated</b>	<b>850,738</b>	<b>960,585</b>	<b>1,811,323</b>
Net result after income tax	-	74,702	74,702
Exchange differences on translation of foreign operations	-	-	-
Gain/(loss) on financial assets at fair value through OCI	9,048	-	9,048
Gain/(loss) on revaluation of property, plant and equipment	42,642	-	42,642
Gain/(loss) on cash flow hedges	1,166	-	1,166
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	222	222
<b>Total comprehensive income</b>	<b>52,856</b>	<b>74,924</b>	<b>127,780</b>
<b>Balance at 31 December 2018</b>	<b>903,594</b>	<b>1,035,509</b>	<b>1,939,103</b>

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 2018

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants	2.1	505,255	491,089	490,132	472,912
OS-Help (net)	33	(1,641)	3,096	(1,641)	3,096
State government grants received	2.2	4,616	3,045	4,616	3,045
Local government grants received	2.2	1,270	1,465	1,270	1,465
HECS-HELP – student payments		19,594	19,311	19,594	19,311
Receipts from student fees and other customers		634,826	550,023	579,100	490,998
Dividends received		714	-	714	-
Interest received		7,315	6,258	5,845	4,406
Payments to suppliers and employees (inclusive of goods and services tax)		(975,046)	(891,402)	(899,156)	(818,026)
Interest and other costs of finance		(8,848)	(10,228)	(8,848)	(10,151)
Income taxes paid		(69)	(51)	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>32</b>	<b>187,986</b>	<b>172,606</b>	<b>191,626</b>	<b>167,056</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	5	72	104	23	60
Proceeds from sale of financial assets		-	94	-	94
Payments for financial assets		(920)	(681)	(920)	(681)
Payments for property, plant and equipment		(230,037)	(188,287)	(222,842)	(183,829)
<b>Net cash provided by/(used in) investing activities</b>		<b>(230,885)</b>	<b>(188,770)</b>	<b>(223,739)</b>	<b>(184,356)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	298,146	-	298,146
Repayment of borrowings		-	(200,000)	-	(200,000)
Payment of capitalised borrowing costs		(3,413)	(1,542)	(3,413)	(1,542)
Repayment of finance leases		(5,388)	(5,166)	(5,388)	(5,166)
<b>Net cash provided by/(used in) financing activities</b>		<b>(8,801)</b>	<b>91,438</b>	<b>(8,801)</b>	<b>91,438</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(51,700)</b>	<b>75,274</b>	<b>(40,914)</b>	<b>74,138</b>
Cash and cash equivalents at the beginning of the financial year		265,471	190,197	188,613	114,475
<b>Cash and cash equivalents at end of the financial year</b>	<b>9</b>	<b>213,771</b>	<b>265,471</b>	<b>147,699</b>	<b>188,613</b>
Financing arrangements	18(b)	-	-	-	-
<b>Non-cash financing and investing activities</b>	<b>24</b>	<b>5,219</b>	<b>5,995</b>	<b>5,219</b>	<b>5,995</b>

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

## 1. Summary of significant accounting policies

The following notes are similar to the prior year except note (j) Receivables, note (m) Investments and other financial assets and note (ac) New accounting standards and interpretations, which incorporate additional commentary due to the adoption of AASB 9 *Financial Instruments* and proposed new accounting standards effective from 1 January 2019.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied by all entities to all the years presented, unless otherwise stated. The financial statements includes separate financial statements for the University of Technology Sydney (UTS) as an individual entity and the consolidated entity consisting of University of Technology Sydney and its subsidiaries.

The principal address of the University of Technology Sydney is 15 Broadway, Broadway NSW 2007.

The financial statements were authorised for issue by the Council of the University of Technology Sydney on 17 April 2019.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of:

- the Australian Accounting Standards including the Australian equivalents to the International Financial Reporting Standards (AIFRS)
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and AASB Interpretations
- the Financial Statements Guidelines for Australian Higher Education Providers for the 2018 Reporting Period issued by the federal Department of Education
- the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2015
- the *Higher Education Support Act 2003*.

UTS is a not-for-profit entity and these financial statements have been prepared on an accrual accounting and going concern basis under the historical cost convention, modified by the revaluation at fair value of land and buildings, financial assets, derivative instruments and certain classes of plant and equipment.

#### Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to the International Financial Reporting Standards (AIFRS) but also include some requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The financial statements and notes of the University of Technology Sydney comply with the Australian Accounting Standards as they apply to not-for-profit entities and hence are inconsistent with IFRS requirements in some instances.

#### Critical accounting estimates

The preparation of financial statements in conformity with the AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the university's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements, are the calculation of the defined superannuation benefits, land, buildings and building infrastructure, investments in non-listed entities, long service leave and annual leave.

Land, buildings and infrastructure have been valued based on fair value assessments by Colliers International having regard to the highest and best use of the assets as well as the fair value hierarchy within the standard. For properties that are non-specialised, quoted unadjusted prices for identical assets in active markets have been used. For all other properties, land values are based on market value which is adjusted for condition, location and use if applicable. The added fair value of the buildings upon the land are calculated having regard to the depreciated replacement cost approach, which in turn is compared with observable market evidence adjusted for differences in condition.

Investments in non-listed entities have been valued by KPMG corporate finance using either the net asset method or deprival method.

Annual leave and long service leave provisions have been valued based on actuarial assessments conducted by Deloitte Consulting Pty Limited. The major assumptions relate to future salary increases and the applicable discount rate. Future salary increases are based on the Senior Staff Agreement, the UTS Academic Staff Agreement 2018 and the UTS Professional Staff Agreement for 2018. The proposed and anticipated salary increase for these agreements is two per cent. The discount rate used is based on yields reported by the Reserve Bank of Australia on zero-coupon Australian Government bonds. The estimates and underlying assumptions are reviewed on an ongoing basis. The unfunded superannuation liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

### (b) Basis of consolidation

#### (i) Subsidiaries

The financial statements are for the University of Technology Sydney consolidated reporting entity consisting of:

- University of Technology Sydney
- Insearch Limited, a controlled entity of the university
- Insearch Shanghai Limited, a controlled entity of Insearch Limited
- Insearch Education International Pty Limited, a controlled entity of Insearch Limited
- Insearch India LLP, a controlled entity of Insearch Limited
- accessUTS Pty Ltd, a controlled entity of the university
- Piivot Pty Ltd, a controlled entity of the university
- UTS Global Pty Ltd, a controlled entity of the university
- UTS Beijing Ltd, a controlled entity of UTS Global Pty Ltd.

The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the consolidated entity except as otherwise indicated. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Separate financial statements are prepared for the same period by the university's controlled entities, which are audited by the Auditor-General of New South Wales.

Power over the investee exists when the group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

**(c) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University of Technology Sydney's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are initially translated into Australian currency at the rate of exchange current at the date of transaction. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates current at balance date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

**(iii) Group companies**

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised as a separate component of equity.

**(d) Revenue recognition**

In accordance with AASB1004 *Contributions*, the operating and research grants provided by the government under the *Higher Education Support Act 2003* are considered to be contributions of assets, or non-reciprocal transfers, and are therefore recognised in the year in which they are received. Payments from the Higher Education Trust Fund are considered to be revenue arising from the provision of a service and so have been treated as income in advance where they relate to the next reporting period.

Revenue from student fees is recognised for enrolments current as at the census date for each semester.

Investment income is recognised as it accrues.

Revenue from sales or the provision of services is recognised in the period in which the goods are supplied or the services provided.

Donations are accounted for on a cash basis.

**(e) Income tax**

The parent entity, the University of Technology Sydney, is exempt from income tax under section 50-1 of the *Income Tax Assessment Act 1997*.

For the tax paying entities of the group, the income tax expense on 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 and their carrying amounts in the financial statements and for unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

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.

**(f) Leases**

The university leases a range of assets and accounts for these as either operating or finance leases in accordance with the requirements of AASB117 *Leases*.

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Payments made under operating leases (net of any incentives received from the lessor) are recognised as an expense in the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Operating lease commitments are recorded on a GST inclusive basis. Finance leases are recorded on a GST exclusive basis.

Details of leased assets are provided in note 23.

The IASB issued IFRS 16 *Leases* with an effective date of 1 January 2019. Early adoption will be permitted for entities that also adopt IFRS 15 *Revenue from Contracts with Customers*. UTS has not early adopted IFRS 16.

**(g) Business combinations**

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

**(h) Impairment of assets**

Assets that have an infinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed 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.

**(i) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, cash at banks, term deposits and deposits at call.

**(j) Receivables**

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less provision for impairment.

Non-current receivables are recognised at fair value.

Collectability of trade receivables is reviewed on an ongoing basis. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Debts which are known to be uncollectible are written off to the income statement.

For trade receivables the university applies a simplified approach in calculating expected credit losses. Therefore, the university does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The university has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**(k) Inventories**

The university holds no inventory.

**(l) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are stated at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the holding of assets classified as held for sale continue to be recognised.

**(m) Investments and other financial assets**

The group classifies its investments in the following categories:

**(i) Financial assets at fair value through profit or loss**

The group's investments in managed funds are classified as financial assets at fair value through profit or loss. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

**(ii) Financial assets at fair value through other comprehensive income**

The group's investments in equity investments in non-listed companies are classified as financial assets at fair value through other comprehensive income. The university elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the other comprehensive income statement.

**(n) Derivatives**

At the date of initial application of AASB 9 all of the university's existing hedging relationships were eligible to be treated as continuing hedging relationships. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates derivatives as hedges of highly probable forecast transactions (cash flow hedges).

**(i) Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

A portion of the gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the balance sheet under property, plant and equipment as per the capitalisation election under AASB 123 *Borrowing Costs*.

Details of the derivatives held by the group are disclosed in note 34.

**(o) Fair value measurement**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets and liabilities traded in active markets, such as financial instruments traded in active markets, is based on quoted market prices at the balance sheet date (level 1).

The fair value of assets or liabilities that are not traded in an active market (for example, defined benefit superannuation liabilities or investments in non-listed entities) is determined using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date (level 2). Fair value measurement of non-financial assets is based on the highest and best use of the asset. The group considers market participants' use of, or purchase price of the asset, to be the highest and best use. The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The value of long-term debt instruments has been calculated using the amortised cost method.

Other techniques that are not based on observable market data (level 3) such as the deprival method, estimated discounted cash flows or cost, are used to determine fair value for the remaining assets and liabilities.

**(p) Property, plant and equipment**

**(i) Initial recognition and measurement**

Assets with a useful life of more than 12 months and an acquisition cost of more than \$5000 are initially capitalised at cost. Costs incurred on plant and equipment which do not meet the capitalisation criteria are expensed as incurred. Following initial recognition at cost, land, buildings and works of art are carried at fair value. Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of revaluation less any subsequent accumulated depreciation on buildings.

The library collection is recorded at depreciated replacement cost.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

**(ii) Revaluations**

Independent valuations are performed with sufficient regularity or once every three years to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Revaluation surpluses have been credited to the asset revaluation reserve included in the equity section of the statement of financial position.

**(iii) Depreciation**

Land and works of art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Asset class	Depreciation rate (%)	Depreciation method
Buildings	2.00 and 10	Straight line
Building infrastructure	4.00	Straight line
Electrical installations	4.00	Straight line
Suspended ceilings	5.00	Straight line
Carpet and carpet tiles	6.67	Straight line
Motor vehicles	20.00	Straight line
Computer hardware	20.00	Straight line
Computer software — minor	33.33	Straight line
Computer software — major	14.30	Straight line
Office, teaching and research equipment	10 to 25	Straight line
Library collection	12.50	Straight line, 5% residual

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

**(iv) Leasehold improvements**

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

**(v) Impairment**

Property, plant and equipment assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**(vi) Disposals**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.



(q) **Intangible assets**

(i) **Research and development**

In accordance with the requirements of AASB 138 *Intangible Assets*, no intangible asset arising from research is recognised. Expenditure on research activities is recognised in the income statement as an expense when it is incurred.

The group has not incurred expenditure on development activities that meets the capitalisation criteria under AASB 138 *Intangible Assets* and hence has not recognised any intangible assets arising from development projects.

(ii) **Software**

Software that is not an integral part of the related hardware is classified as an intangible asset with a finite life. Amortisation is charged on a straight line basis at the rate of 14.30 per cent per annum.

(iii) **Perpetual licences for online serials**

The consolidated entity has purchased a number of licences which provide access to online serials in perpetuity. These assets are not subject to amortisation as they have an indefinite useful life but are tested annually for impairment.

(r) **Unfunded superannuation**

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA), now the Department of Education, the effects of the unfunded superannuation liabilities of the group were recorded in the income statement and the balance sheet for the first time in 1998. The previous practice had been to disclose these liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the fund's actuary (refer note 25). The projected unit credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. Actuarial gains and losses are recognised immediately in the statement of comprehensive income in the year in which they occur.

An arrangement exists between the Australian Government and the New South Wales Government to meet the unfunded liability for the group's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *Higher Education Funding Act 1988*, the Commonwealth's *Higher Education Support Act 2003* and a memorandum of understanding signed by the federal government and the state government on 5 December 2014. Accordingly the unfunded liabilities have been recognised in the statement of financial position under provisions with a corresponding asset recognised under receivables. The recognition of both the asset and the liability consequently does not materially affect the year end net asset position of the group.

The university recognises a payroll tax liability on its unfunded superannuation liabilities, which is not offset by a related receivable from the federal and New South Wales Government. The university considers that there is a right to recover any payroll tax paid in future which relates to the unfunded superannuation liabilities under the conditions of grant for the *Higher Education Funding Act 1988*, the Commonwealth's *Higher Education Support Act 2003* and a memorandum of understanding signed by the federal government and the New South Wales Government on 5 December 2014. No receivable for such amounts is recognised until recovery is considered virtually certain.

(s) **Trade and other payables**

Accounts payable, including accruals, represent liabilities for goods and services provided to the economic entity prior to the end of the 2018 reporting period. These amounts are usually settled on 30-day terms.

(t) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

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

The university's borrowings comprise a bond (\$300 million), revolving debt facility (\$150 million) and lease liabilities. Details of the borrowings are listed in note 34. As at 31 December 2018 there have been no drawdowns on the revolving debt facility.

(u) **Borrowing costs**

Borrowing costs, except those incurred for the construction of any qualifying asset, are expensed as per AASB 123 *Borrowing Costs*. Borrowing costs incurred for the construction of any qualifying assets are capitalised as per AASB 123 *Borrowing Costs*. For immaterial prepaid borrowing costs relating to qualifying assets, the university amortises the expense on a straight line basis, which is a departure from the standard. The amounts are regarded as immaterial and do not affect the operating result over the term of the loan. Finance charges in respect of finance leases are included in the definition of borrowing costs.

(v) **Provisions**

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; that is, when it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at the Australian Government bond rate.

(w) **Employee benefits**

(i) **Wages, salaries and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Sick leave is included in salaries and wages when the sick leave is taken.

**(ii) Long service leave and annual leave**

The liability for long service leave and annual leave is calculated on a present value basis. This is done using the total nominal value, including on costs and allowing for known pay increases, of all leave accrued but not taken, including pre-conditional leave. This figure is then adjusted according to the staff profile and a factor designed to compensate for inflation and wage increases. Expected future payments are discounted using market yields at the reporting date on national government bonds. The group records long service leave and annual leave as a current liability when all conditions for settlement are met.

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.

The university in 2018 engaged Deloitte to conduct an actuarial assessment of the long service leave provision and annual leave provision to satisfy the requirements of AASB 119 *Employee Benefits*. The actuarial assessment for long service leave and annual leave updated the previous assessment conducted in 2017 by Deloitte.

**(iii) Superannuation**

Employees of the group are entitled to benefits on retirement, disability or death from the group's superannuation plans. The group has both defined contribution plans and defined benefit plans. The defined benefit plans provide employees with defined benefits based on years of service and final average salary.

Contributions to the superannuation funds are recognised in the income statement as an expense as they become payable.

The liability or asset in respect of the defined benefit plans is measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position. Past service costs are recognised in the income statement immediately. Contributions to the defined contribution section of the university's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

A liability or asset in respect of the defined benefit superannuation plan for UniSuper has not been recognised in the statement of financial position based on advice from UniSuper that the defined benefit plan is a contribution fund for the purposes of AASB119 due to the amendment of the trust deed during 2006 (clause 34 of the UniSuper Trust Deed). The plan has been classified as a contribution plan in the parent entity's accounts.

**(iv) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for those benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**(x) Joint ventures**

For the consolidated entity financial statements, the interest in jointly controlled entities is accounted for using the equity method. Under this method, the share of the profits or losses of the joint venture is recognised in the income statement. In addition the share of movements in reserves is recognised in the statement of comprehensive income and the statement of changes in equity. Details of joint ventures are set out in note 14.

**(y) Associates**

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The group's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

**(z) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the costs of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

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

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(aa) Comparative amounts**

Where necessary, the classifications of 2018 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2017 operating result (or the financial position) of the university.

**(ab) Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees are determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

**(ac) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period. The recently issued or amended standards are not expected to have a material impact on the group's statutory accounts except for those standards noted below. The group has not exercised the right to early adopt any new or revised accounting standard.

**AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. The group applied AASB 9 retrospectively, with an initial application date of 1 January 2018. The group has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in investments at fair value through OCI and other investment revaluation reserve within equity.

The nature and effect of the changes as a result of adoption of AASB 9 are described as follows:

Impact on the statement of financial position (increase/(decrease)):

	Consolidated 1 January 2018 \$'000	Parent 1 January 2018 \$'000
Classification and measurement	10,902	10,902

The nature of the adjustments for classification and measurement were for investments in equities not traded on an open market and previously valued at cost which are now valued at fair value as per the requirements of AASB 9 *Financial Instruments*.

The group has applied AASB 9 retrospectively, with an initial application date of 1 January 2018. The group has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of the adoption of AASB 9 are described as follows:

	Consolidated 1 January 2018 \$'000	Parent 1 January 2018 \$'000
<b>Assets</b>		
Shares – unlisted	10,902	10,902
<b>Total adjustments on equity</b>		
Other components of equity – reserves	10,902	10,902

The nature of these adjustments are described below.

Equity investments in non-listed companies classified as available-for-sale financial assets as at 31 December 2017 are classified and measured as equity instruments designated at fair value through OCI beginning 1 January 2018. The group elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

Upon the adoption of AASB 9, the group had the following required or elected reclassifications as at 1 January 2018:

	AASB 9 measurement category		
	\$	Fair value through profit or loss	Fair value through OCI
<b>AASB 139 measurement category</b>			
<b>Available for sale</b>			
Non-listed equity investments	16,201	–	16,201
<b>Other financial assets at amortised cost</b>			
Shares in other entities	677	–	12,018
Investment in associates	440	–	–
	17,318	–	28,219

### AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 Revenue, AASB 111 Construction Contracts and four interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The standard applies to the group for financial years beginning 1 January 2019. The standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In addition, AASB 1058 *Income of Not-for-profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* provides additional guidance on applying the principles in AASB 15 to not-for-profit entities as well as replacing the income recognition requirements in AASB 1004 *Contributions*.

The application of AASB 15 and AASB 1058 may have a material impact on the group's revenue recognition policies. Management is in the process of completing its detailed impact assessment of these new standards and is not currently able to reasonably estimate the possible future impacts of this standard.

### AASB 16 Leases

AASB 16 *Leases* replaces AASB 117 Leases and will apply to the group for financial years beginning 1 January 2019.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset and a lease liability. Based on the group's existing operating leases, the application of AASB 16 may have a material effect on the group's financial statements. Management is in the process of assessing the impacts of the standard and is unable to reliably estimate the potential future impacts of this new standard at this time.

#### (ad) Changes in accounting policy

There have been no changes to accounting policy in the 2018 year apart from the adoption of certain mandatory standards.

#### (ae) Rounding of amounts

Amounts in the financial statements where applicable have been rounded off to the nearest thousand dollars.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>2. Revenue from continuing operations</b>					
<b>2.1 Australian Government financial assistance including Australian Government loan programs (HELP)</b>					
<b>(a) Commonwealth Grant Scheme and other grants</b> 33.1					
Commonwealth Grant Scheme <sup>1</sup>		214,744	214,147	214,744	214,147
Indigenous Student Success Program		1,460	1,410	1,460	1,410
Access and Participation Fund		3,097	2,931	3,097	2,931
Disability Performance Funding		385	381	385	381
Promotion of Excellence in Learning and Teaching		–	111	–	111
<b>Total Commonwealth Grant Scheme and other grants</b>		<b>219,686</b>	<b>218,980</b>	<b>219,686</b>	<b>218,980</b>
<b>(b) Higher education loan programs (HELP)</b> 33.2					
HECS-HELP		161,857	152,787	161,857	152,787
FEE-HELP		58,531	60,242	43,408	42,065
SA-HELP		3,334	3,199	3,334	3,199
<b>Total higher education loan programs</b>		<b>223,722</b>	<b>216,228</b>	<b>208,599</b>	<b>198,051</b>
<b>(c) Education research</b> 33.5					
Research Training Program <sup>2</sup>		17,087	16,686	17,087	16,686
Research Support Program <sup>3</sup>		12,517	11,650	12,517	11,650
<b>Total education research grants</b>		<b>29,604</b>	<b>28,336</b>	<b>29,604</b>	<b>28,336</b>

1. Includes the basic CGS grant amount, CGS – Regional Loading, and CGS – Enabling Loading.

2. Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

3. Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(d) Australian Research Council</b>	33.3				
Discovery		13,772	9,779	13,772	9,779
Linkages		3,204	3,346	3,204	3,346
Networks and centres		424	476	424	476
<b>Total ARC</b>		<b>17,400</b>	<b>13,601</b>	<b>17,400</b>	<b>13,601</b>
<b>(e) Other capital funding</b>	33.4				
Linkage Infrastructure, Equipment and Facilities grant		1,404	431	1,404	431
<b>Total other capital funding</b>		<b>1,404</b>	<b>431</b>	<b>1,404</b>	<b>431</b>
<b>(f) Other Australian Government financial assistance</b>					
<b>Non-capital</b>					
National Health and Medical Research Council		3,094	2,046	3,094	2,046
Department of Education		1,186	1,721	1,186	1,721
Cancer Australia		215	1,237	215	1,237
Department of Health and Ageing		1,489	1,074	1,489	1,074
CSIRO		504	742	504	742
Monash University		626	535	626	535
ARENA		622	428	622	428
University of New South Wales		627	412	627	412
Department of Foreign Affairs and Trade		163	393	163	393
Other		5,482	2,699	5,482	2,699
<b>Total non-capital Other Australian Government financial assistance</b>		<b>14,008</b>	<b>11,287</b>	<b>14,008</b>	<b>11,287</b>
<b>Total Australian Government financial assistance</b>		<b>505,824</b>	<b>488,863</b>	<b>490,701</b>	<b>470,686</b>
<b>Australian Government financial assistance including Australian Government loan programs</b>					
<b>Reconciliation</b>					
Australian Government grants (a+c+d+e+f)		282,102	272,635	282,102	272,635
Higher education loan programs (b)		223,722	216,228	208,599	198,051
<b>Total Australian Government financial assistance</b>		<b>505,824</b>	<b>488,863</b>	<b>490,701</b>	<b>470,686</b>
<b>(g) Australian Government grants received – cash</b>					
CGS and other EDUCATION grants		219,686	220,488	219,686	220,488
Higher education loan programs		224,382	218,354	209,259	200,177
EDUCATION research		29,604	28,336	29,604	28,336
ARC grants		16,173	12,174	16,173	12,174
Other capital funding		1,402	450	1,402	450
Other Australian Government grants		14,008	11,287	14,008	11,287
<b>Total Australian Government grants received – cash basis</b>		<b>505,255</b>	<b>491,089</b>	<b>490,132</b>	<b>472,912</b>
OS-HELP (net)		3,336	8,525	3,336	8,525
<b>Total Australian Government funding received – cash basis</b>		<b>508,591</b>	<b>499,614</b>	<b>493,468</b>	<b>481,437</b>

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>2.2 State and local government financial assistance</b>					
<b>Non-capital</b>					
New South Wales State Government		4,206	2,423	4,206	2,423
Other state governments		410	622	410	622
Local government		1,270	1,465	1,270	1,465
<b>Total non-capital</b>		<b>5,886</b>	<b>4,510</b>	<b>5,886</b>	<b>4,510</b>
<b>Capital</b>					
New South Wales State Government		-	-	-	-
<b>Total capital</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total state and local government financial assistance</b>		<b>5,886</b>	<b>4,510</b>	<b>5,886</b>	<b>4,510</b>
<b>2.3 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		432,000	369,780	358,799	298,944
Fee-paying offshore overseas students		3,665	3,718	3,665	3,718
Continuing education		3,704	4,565	2,916	3,168
Fee-paying domestic postgraduate students		16,087	15,609	16,087	15,609
Fee-paying domestic undergraduate students		758	779	758	779
Other domestic course fees and charges		28,339	27,639	26,930	25,465
<b>Total course fees and charges</b>		<b>484,553</b>	<b>422,090</b>	<b>409,155</b>	<b>347,683</b>
<b>Other non-course fees and charges</b>					
Library charges		418	495	1,773	1,834
Student accommodation charges		2,587	3,208	-	-
Student services and amenities fee from students	33.8	6,695	6,331	6,695	6,331
Medical fees		1,061	975	1,131	1,026
English testing centre		635	804	635	804
Other fees and charges		388	490	-	-
<b>Total other non-course fees and charges</b>		<b>11,784</b>	<b>12,303</b>	<b>10,234</b>	<b>9,995</b>
<b>Total fees and charges</b>		<b>496,337</b>	<b>434,393</b>	<b>419,389</b>	<b>357,678</b>
<b>2.4 Investment income</b>					
<b>Interest</b>					
Debt instruments at fair value through profit or loss		7,155	6,467	5,443	4,788
<b>Dividends</b>					
Equity instruments designated at fair value through OCI		714	-	714	-
<b>Total interest and dividends</b>		<b>7,869</b>	<b>6,467</b>	<b>6,157</b>	<b>4,788</b>
<b>Net fair value gains/losses</b>					
Gain/(loss) on financial assets designated at fair value through profit or loss		31	1,344	31	1,344
<b>Total investment income</b>		<b>7,900</b>	<b>7,811</b>	<b>6,188</b>	<b>6,132</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>2.5 Royalties, trademarks and licences</b>		46	108	39	105
<b>2.6 Consultancy and contracts</b>					
Contract research		31,709	25,618	31,709	25,618
Consultancy		2,582	4,241	3,056	4,329
<b>Total consultancy and contracts</b>		<b>34,291</b>	<b>29,859</b>	<b>34,765</b>	<b>29,947</b>
<b>2.7 Other revenue and income</b>					
<b>Other revenue</b>					
Contribution from Insearch Limited		-	-	18,065	17,753
Donations and bequests		9,850	5,958	9,968	5,959
Foreign exchange gain/(loss) (net) (note (a))		78	(634)	121	(534)
Non-government grants		4,452	3,672	4,452	3,672
Scholarships and prizes		4,334	4,592	4,388	4,671
Services		2,810	2,486	2,745	2,541
Sponsorships		2,036	1,891	2,076	1,941
Other		5,364	5,204	6,604	5,632
<b>Total other revenue</b>		<b>28,924</b>	<b>23,169</b>	<b>48,419</b>	<b>41,635</b>
<b>Other income</b>					
Hire and rental		21,267	20,480	22,851	22,356
Profit/(loss) on sale of shares		-	(380)	-	(380)
Contributions for salary from other entities		1,622	1,009	1,622	1,272
Sale of goods		266	309	265	309
<b>Total other income</b>		<b>23,155</b>	<b>21,418</b>	<b>24,738</b>	<b>23,557</b>
<b>Total other revenue and income</b>		<b>52,079</b>	<b>44,587</b>	<b>73,157</b>	<b>65,192</b>
<b>(a) Net foreign exchange gain/(loss)</b>					
Net foreign exchange gain/(loss) included in other income for the year		78	(634)	121	(534)
Net foreign exchange gain/(loss) recognised in operating result before income tax for the year (as either other revenue or expense)		78	(634)	121	(534)

**Financial statements: UTS**  
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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>3. Expenses from continuing operations</b>					
<b>3.1 Employee related expenses</b>					
<b>Academic</b>					
Salaries		242,923	221,956	223,170	201,938
Contributions to superannuation and pension schemes					
Contributions to funded schemes		37,669	33,928	35,813	32,037
Contributions to unfunded schemes		-	-	-	-
Payroll tax		16,159	15,343	14,842	14,019
Workers' compensation		929	924	859	861
Long service leave expense		9,238	2,762	9,198	2,661
Annual leave		14,505	13,611	14,560	13,565
<b>Total academic</b>		<b>321,423</b>	<b>288,524</b>	<b>298,442</b>	<b>265,081</b>
<b>Non-academic</b>					
Salaries		225,387	205,828	200,561	184,018
Contributions to superannuation and pension schemes					
Contributions to funded schemes		32,047	29,736	30,117	28,002
Contributions to unfunded schemes		-	-	-	-
Payroll tax		15,231	13,523	14,041	12,523
Workers' compensation		845	844	767	776
Long service leave expense		8,872	1,984	8,562	1,749
Annual leave		14,092	13,617	13,778	13,397
Other		-	-	-	-
<b>Total non-academic</b>		<b>296,474</b>	<b>265,532</b>	<b>267,826</b>	<b>240,465</b>
<b>Total employee related expenses</b>		<b>617,897</b>	<b>554,056</b>	<b>566,268</b>	<b>505,546</b>
Deferred superannuation expense	25	270	104	270	104
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>		<b>618,167</b>	<b>554,160</b>	<b>566,538</b>	<b>505,650</b>
<b>3.2 Depreciation and amortisation</b>					
<b>Depreciation property, plant and equipment</b>					
Buildings		26,486	25,057	26,486	25,057
Infrastructure		23,380	22,124	23,380	22,124
Equipment		27,874	24,524	23,499	20,040
Library collection		1,722	1,828	1,722	1,828
Motor vehicles		208	215	130	129
<b>Total depreciation property, plant and equipment</b>		<b>79,670</b>	<b>73,748</b>	<b>75,217</b>	<b>69,178</b>
<b>Amortisation property, plant and equipment</b>					
Leasehold improvements		1,804	836	1,804	836
Plant and equipment under finance leases		5,418	4,820	5,418	4,820
<b>Total amortisation property, plant and equipment</b>		<b>7,222</b>	<b>5,656</b>	<b>7,222</b>	<b>5,656</b>
<b>Total depreciation and amortisation property, plant and equipment</b>		<b>86,892</b>	<b>79,404</b>	<b>82,439</b>	<b>74,834</b>



	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Amortisation intangibles</b>					
Software		9,098	7,648	8,127	6,989
Licences perpetual		402	240	402	240
Patents and trademarks		303	629	-	-
<b>Total amortisation intangibles</b>		<b>9,803</b>	<b>8,517</b>	<b>8,529</b>	<b>7,229</b>
<b>Total depreciation and amortisation</b>		<b>96,695</b>	<b>87,921</b>	<b>90,968</b>	<b>82,063</b>
<b>3.3 Repairs and maintenance</b>					
Buildings		11,018	10,839	11,018	10,839
Plant and equipment		3,922	4,380	3,589	4,030
<b>Total repairs and maintenance</b>		<b>14,940</b>	<b>15,219</b>	<b>14,607</b>	<b>14,869</b>
<b>3.4 Impairment of assets</b>					
Bad debts		302	92	284	392
Increase/(decrease) in provision for doubtful debts		(88)	(26)	6	(34)
Impairment of intangible assets		205	-	205	-
<b>Total impairment of assets</b>		<b>419</b>	<b>66</b>	<b>495</b>	<b>358</b>
<b>3.5 Other expenses</b>					
Advertising, marketing and promotional expenses		12,549	11,868	7,779	6,208
Building rent and rates		18,634	13,086	9,011	5,350
Cleaning		10,239	9,519	9,537	8,883
Consultancy		24,321	20,253	21,371	18,099
Contributions other		9,388	9,149	9,788	9,549
Contributions research		8,020	4,972	8,020	4,972
Entertainment		5,816	6,160	5,487	5,902
Fees and subscriptions		54,889	54,542	65,010	62,093
Heating and lighting		11,999	9,617	11,543	9,227
Insurance		3,035	2,924	2,851	2,731
Laboratory supplies		5,912	5,115	5,912	5,115
Software maintenance		12,434	13,716	11,066	12,297
Minimum lease payments on operating lease rental expenses		2,844	2,836	2,797	2,779
Non-capitalised equipment		7,390	7,163	7,390	6,921
Other expenses		12,914	12,657	13,323	11,924
Postage		586	572	309	400
Printing		1,369	1,457	896	934
Scholarships, grants and prizes		42,168	36,944	41,079	35,798
Security contract staff		7,040	6,489	6,505	5,905
Stationery		1,516	1,591	1,515	1,583
Telecommunications		3,552	3,394	2,837	2,892
Travel and related staff development and training		24,254	23,827	21,700	20,510
Tuition fees		37,309	31,517	29,149	21,760
<b>Total other expenses</b>		<b>318,178</b>	<b>289,368</b>	<b>294,875</b>	<b>261,832</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>4. Borrowing costs</b>					
Interest expense on financial liabilities at amortised cost		13,100	12,673	13,100	12,596
Finance charges in respect of finance leases		385	365	385	365
		13,485	13,038	13,485	12,961
Less: amount capitalised		(6,033)	(2,525)	(6,033)	(2,525)
<b>Total borrowing costs expensed</b>		<b>7,452</b>	<b>10,513</b>	<b>7,452</b>	<b>10,436</b>
<b>5. Sales of assets</b>					
<b>Proceeds from sale</b>					
Property, plant and equipment		72	104	23	60
<b>Less carrying amount of assets sold</b>					
Property, plant and equipment		174	406	105	377
Total carrying amount of assets		174	406	105	377
<b>Net gain or (loss) on sale of assets</b>		<b>(102)</b>	<b>(302)</b>	<b>(82)</b>	<b>(317)</b>
<b>(a) Net gain on disposal of property, plant and equipment</b>					
The consolidated net loss on disposal of property, plant and equipment in 2018 includes a loss of \$0 (2017: \$54,187) on disposal of buildings.					
<b>6. Income tax</b>					
		(20)	57	-	-
The income tax expense includes tax liabilities for overseas entities in China.					

**7. Key management personnel disclosures**

**(a) Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of the University of Technology Sydney during the year:

**University**

Ms Catherine Livingstone, AO	Professor Anthony Dooley (ended October 2018)
Professor Sally Varnham (ended October 2018)	Dr Ron Sandland, AM
Ms Michelene Collopy	Mr Russell Taylor, AM (ended October 2018)
Mr Tony Tobin	Mr Peter Bennett
Mr Daniel Willis (ended October 2018)	Mr Brett Clegg (ended April 2018)
Professor Attila Brungs	Dr Marilyn Sleigh
Mr Robert Kelly (ended October 2018)	Professor Joanne Gray
Mr Brian Wilson, AO (ended October 2018)	Dr John Laker, AO
Mr Bijay Sapkota (ended October 2018)	Mr Michael Rosser (ended October 2018)
Dr Sue Barrell (started November 2018)	Mr Aden Ridgeway (started November 2018)
Professor Larissa Behrendt (started November 2018)	Associate Professor Sarah Kaine (started November 2018)
Ms Alicia Pearce (started November 2018)	Mr Priyanshu Bhardwaj (started November 2018)
Mr Aaron Ngan (started November 2018)	

**Insearch Limited**

Professor Chris Earley (started July 2018)	Mr Iain Watt (started July 2018)
Professor William Purcell (ended January 2018)	Emeritus Professor Ross Milbourne, AO
Mr Peter Bennett	Professor Mary Spongberg (ended June 2018)
Professor Attila Brungs	Mr G Freeland
Ms Anne Dwyer	Ms N Anderson

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Mr Patrick Woods	Ms Dianne Hill (ended November 2018)
Professor John Daly (ended July 2018)	Mr Nicholas William Glover (started November 2018)
Associate Professor Paul Jonson (ended November 2018)	Ms Taia Rowe (started November 2018)
Ms Roula Christodoulides (started November 2018)	

**UTS Global Pty Limited**

Mr Patrick Woods	Professor Chris Earley (started April 2018)
Professor William Purcell (ended April 2018)	Mr Iain Watt (started July 2018)
Professor Roy Green (ended July 2018)	

**Piivot Pty Ltd**

Mr Patrick Woods	Mr Mark Leigh
Ms Catherine Meagher	

**(b) Other key management personnel**

The following persons also had authority and responsibility for planning, directing and controlling the activities of the university during the financial year:

**University**

Professor Peter Booth (ended January 2018)	Mr Patrick Woods
Ms Anne Dwyer	Professor Glen Wightwick
Professor Shirley Alexander	Professor Andrew Parfitt
Professor Attila Brungs	Professor Kate McGrath (started May 2018)
Professor William Purcell (ended June 2018)	Mr Iain Watt (started July 2018)

**Insearch Limited**

Mr Timothy Laurence	Ms Carol Churches
Ms Belinda Howell	Mr Nathan Patrick
Mr Alex Murphy	Ms S Chatterjee
Mr Peter Harris	

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Mr Patrick Woods (started January 2018)
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**Financial statements: UTS**  
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	Economic entity (Consolidated)		Parent entity (University)	
	2018	2017	2018	2017
<b>(c) Remuneration of board members and executives</b>				
The university's responsible persons do not receive any remuneration in respect of their work as members of Council.				
<b>Remuneration of board members</b>				
\$0 to \$9,999	-	1	-	-
\$10,000 to \$19,999	-	1	-	-
\$50,000 to \$59,999	-	2	-	-
\$60,000 to \$69,999	2	1	-	-
\$70,000 to \$79,999	1	-	-	-
\$100,000 to \$109,999	1	1	-	-
	4	6	-	-
<b>Remuneration of executive officers</b>				
\$140,000 to \$149,999	1	-	1	-
\$220,000 to \$229,999	1	-	1	-
\$250,000 to \$259,999	2	-	1	-
\$280,000 to \$289,999	-	2	-	-
\$300,000 to \$309,999	-	-	-	-
\$330,000 to \$339,999	1	1	-	-
\$340,000 to \$349,999	-	-	-	-
\$350,000 to \$359,999	1	1	-	-
\$370,000 to \$379,999	-	2	-	-
\$380,000 to \$389,999	1	-	-	-
\$390,000 to \$399,999	1	-	-	-
\$400,000 to \$409,999	1	-	-	-
\$480,000 to \$489,999	-	1	-	-
\$490,000 to \$499,999	2	2	2	2
\$500,000 to \$509,999	1	-	1	-
\$510,000 to \$519,999	1	-	-	-
\$520,000 to \$529,999	1	1	1	1
\$540,000 to \$549,999	-	1	-	1
\$580,000 to \$589,999	-	1	-	1
\$590,000 to \$599,999	1	-	1	-
\$610,000 to \$619,999	-	1	-	1
\$620,000 to \$629,999	1	-	1	-
\$670,000 to \$679,999	-	1	-	1
\$1030,000 to \$1039,999 <sup>1</sup>	-	1	-	1
\$1050,000 to \$1059,999 <sup>1</sup>	1	-	1	-
	17	15	10	8
<b>Key management personnel compensation</b>				
Short-term employee benefits	7,909,434	7,757,809	4,926,434	4,968,809
Post-employment benefits	-	-	-	-
	7,909,434	7,757,809	4,926,434	4,968,809

1. These figures include amounts dedicated to the provision of student scholarships as a component of the total package.

Notes	Economic entity (Consolidated)		Parent entity (University)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>8. Remuneration of auditors</b>				
Fees paid to Audit Office of New South Wales for audit and review of financial statements	378	416	248	276
Fees paid to non-audit firms for the audit or review of financial statements of any entity in the consolidated group	363	250	-	-
<b>Total remuneration for audit services</b>	<b>741</b>	<b>666</b>	<b>248</b>	<b>276</b>
<b>9. Cash and cash equivalents</b>				
Cash at bank and on hand	8,045	8,920	757	760
Short-term deposits at call	84,726	60,551	81,942	57,853
Fixed-term deposits	121,000	196,000	65,000	130,000
<b>Total cash and cash equivalents</b>	<b>213,771</b>	<b>265,471</b>	<b>147,699</b>	<b>188,613</b>
<b>(a) Reconciliation to cash at the end of the year</b>				
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:				
balances as above	213,771	265,471	147,699	188,613
less: bank overdrafts	-	-	-	-
<b>Balance as per statement of cash flows</b>	<b>213,771</b>	<b>265,471</b>	<b>147,699</b>	<b>188,613</b>
<b>(b) Cash at bank and on hand</b>				
Cash at bank are interest bearing with interest rates ranging between 0.1% and 1.4% (2017: 0.10% and 1.65%). Cash on hand are non-interest bearing.				
<b>(c) Short-term deposits at call and term deposits</b>				
The deposits at call are bearing floating interest rates between 0% and 2% (2017: 0% and 2%). Term deposits are interest bearing with rates ranging between 1.53% and 2.73%. Term deposits are able to be recalled by providing 31 days notice.				
<b>10. Receivables</b>				
<b>Current</b>				
Trade debtors – other	25,098	25,946	23,618	25,222
less: provision for impaired receivables	(385)	(380)	(385)	(418)
	24,713	25,566	23,233	24,804
Trade debtors – student	1,913	1,841	1,808	1,656
less: provision for impaired receivables	(676)	(750)	(658)	(619)
	1,237	1,091	1,150	1,037
	25,950	26,657	24,383	25,841
Amounts receivable from wholly owned subsidiaries				
Insearch Limited	-	-	538	982
accessUTS Pty Limited	-	-	1,033	1,216
UTS Global Pty Ltd	-	-	-	7
Piivot Pty Ltd	-	-	-	105
Amounts receivable from related entities				
Sydney Educational Broadcasting Limited	368	627	368	627
<b>Total current receivables</b>	<b>26,318</b>	<b>27,284</b>	<b>26,322</b>	<b>28,778</b>
<b>Non-current</b>				
Deferred government contribution for superannuation	603,200	597,142	603,200	597,142
<b>Total non-current receivables</b>	<b>603,200</b>	<b>597,142</b>	<b>603,200</b>	<b>597,142</b>
<b>Total trade and other receivables</b>	<b>629,518</b>	<b>624,426</b>	<b>629,522</b>	<b>625,920</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Set out below is the movement in the allowance for expected credit losses of receivables:					
At 1 January		1,130	1,187	1,037	1,071
Provision for expected credit losses		214	66	290	358
Write off		(283)	(92)	(284)	(392)
Unused amounts reversed		-	(31)	-	-
At 31 December		1,061	1,130	1,043	1,037
The information about the credit exposures are disclosed in note 34.					
<b>11. Other financial assets</b>					
<b>Current</b>					
<b>Other financial assets at fair value through profit or loss</b>					
Managed funds – New South Wales Treasury Corporation	34(d)	15,045	14,132	15,045	14,132
Total current other financial assets at fair value through profit or loss		15,045	14,132	15,045	14,132
<b>Total current other financial assets</b>		<b>15,045</b>	<b>14,132</b>	<b>15,045</b>	<b>14,132</b>
<b>Non-current</b>					
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>					
Unlisted shares		36,857	-	36,857	-
Listed shares		411	-	411	-
Total investments in equity instruments designated at fair value through other comprehensive income		37,268	-	37,268	-
<b>Available-for-sale financial assets</b>					
Unlisted shares		-	16,201	-	16,201
Total non-current available-for-sale financial assets		-	16,201	-	16,201
<b>Other financial assets at amortised cost</b>					
Shares in subsidiaries		-	-	185	185
Shares in other entities		-	677	-	677
Interest in joint venture partnerships and investment in associates		-	440	3,010	3,450
Other unlisted securities – security deposits		107	141	-	-
Total non-current other financial assets at cost		107	1,258	3,195	4,312
<b>Total non-current other financial assets</b>		<b>37,375</b>	<b>17,459</b>	<b>40,463</b>	<b>20,513</b>
Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement.					
<b>(a) Allowance for debt instruments other than receivables</b>					
At 1 January		248	248	248	248
Provision for expected credit losses		-	-	-	-
Write-off		248	-	248	-
At 31 December		-	248	-	248

The information about the credit exposures are disclosed in note 34.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>12. Other non-financial assets</b>					
<b>Current</b>					
Accrued income		4,270	3,159	4,028	3,009
Prepayments		20,468	20,335	15,336	15,551
<b>Total current other non-financial assets</b>		<b>24,738</b>	<b>23,494</b>	<b>19,364</b>	<b>18,560</b>
<b>Non-current</b>					
Prepayments		1,780	1,431	1,780	1,431
Prepaid rent		13,547	13,619	13,547	13,619
<b>Total non-current other non-financial assets</b>		<b>15,327</b>	<b>15,050</b>	<b>15,327</b>	<b>15,050</b>
<b>Total other non-financial assets</b>		<b>40,065</b>	<b>38,544</b>	<b>34,691</b>	<b>33,610</b>

### 13. Non-current assets classified as held for sale

There are no non-current assets classified as held for sale at 31 December 2018 (31 December 2017: \$0)

### 14. Investments accounted for using the equity method

Investments in associates		2,121	1,335	-	-
Investments in joint ventures		3,362	3,536	-	-
<b>Total investments accounted for using the equity method</b>		<b>5,483</b>	<b>4,871</b>	<b>-</b>	<b>-</b>
<b>(a) Reconciliation</b>					
Balance at 1 January		4,871	5,198	-	-
Share of profit/(loss) for the year		1,233	977	-	-
Dividends		(710)	(494)	-	-
Foreign currency translation		49	(43)	-	-
Additional equity income		40	53	-	-
Add additional shares in associate		-	-	-	-
Disposal of joint venture		-	(380)	-	-
Joint venture reclassified		-	(440)	-	-
<b>Balance at 31 December</b>		<b>5,483</b>	<b>4,871</b>	<b>-</b>	<b>-</b>

- Cicada Innovations Pty Ltd (formerly Australian Technology Park Innovation Proprietary Limited (ATPI)) has a reporting date of 30 June 2018. The university has relied on the statutory accounts to the 30 June 2018 for Cicada Innovations Pty Ltd.
- Rugby Australia House Pty Ltd, a joint venture between the University of Technology Sydney and the Australian Rugby Union Ltd, was established in December 2015 to construct a building on land owned by the SCG Trust. The building was completed in 2017 and is owned by the SCG Trust and, in recognition of receipt of the building, the SCG Trust has provided leased premises within the building to the university at reduced rates for a minimum of 25 years.
- Sabre Autonomous Solutions Pty Ltd has a reporting date of 30 June 2018. The university has relied on the statutory accounts to the 30 June 2018 for Sabre Autonomous Solutions Pty Ltd.

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**(b) Individually immaterial joint ventures or associates**

The university's joint ventures and associates are regarded as financially immaterial and are therefore aggregated.

	Economic entity (Consolidated)		Parent entity (University)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Aggregate carrying amount of interests in joint ventures and associates accounted for using the equity method that are not individually material in the consolidated financial statements:				
Profit/(loss) from continuing operations	1,233	977	-	-
Profit/(loss) from continuing operations after income tax	1,233	977	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	1,233	977	-	-
Total share of profit or loss on investments accounted for using the equity method	1,233	977	-	-

**(c) Contingent liabilities relating to joint ventures**

No material losses are anticipated in respect to contingent liabilities.

**(d) Restrictions**

Joint venture and associates that are limited by guarantee companies and, where the university is a member, are unable to pay dividends or repay capital upon liquidation.

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

**15. Property, plant and equipment**

**Consolidated**

**At 1 January 2017**

cost	48,751	-	-	-	245,780	2,023	15,234	-	-	311,788
valuation	-	512,478	1,226,798	509,523	-	-	-	109,548	2,825	2,361,172
Accumulated depreciation and impairment	-	-	(378,352)	(183,664)	(133,901)	(1,367)	(7,034)	(96,042)	-	(800,360)
Net book amount	48,751	512,478	848,446	325,859	111,879	656	8,200	13,506	2,825	1,872,600

**Year ended 31 December 2017**

Opening net book amount	48,751	512,478	848,446	325,859	111,879	656	8,200	13,506	2,825	1,872,600
Revaluation surplus/(deficit)	-	26,469	31,507	13,909	-	-	-	-	(81)	71,804
Additions	74,583	4,506	29,973	14,853	37,426	18,322	5,995	1,311	48	187,017
Assets included in a disposal group classified as held for sale and other disposals	-	-	(54)	(1)	(349)	-	-	(2)	-	(406)
Depreciation charge	-	-	(25,057)	(22,124)	(24,739)	(836)	(4,820)	(1,828)	-	(79,404)
Closing net book amount	123,334	543,453	884,815	332,496	124,217	18,142	9,375	12,987	2,792	2,051,611

**At 31 December 2017**

cost	123,334	-	-	-	279,855	19,310	16,877	-	-	439,376
valuation	-	543,453	1,309,633	544,071	-	-	-	110,856	2,792	2,510,805
Accumulated depreciation and impairment	-	-	(424,818)	(211,575)	(155,638)	(1,168)	(7,502)	(97,869)	-	(898,570)
Net book amount	123,334	543,453	884,815	332,496	124,217	18,142	9,375	12,987	2,792	2,051,611



	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2018</b>										
Opening net book amount	123,334	543,453	884,815	332,496	124,217	18,142	9,375	12,987	2,792	2,051,611
Revaluation surplus/(deficit)	-	24,950	9,327	6,410	-	1,963	-	-	(8)	42,642
Additions	138,703	-	15,242	5,070	33,281	36,420	5,219	1,261	13	235,209
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(155)	-	-	(19)	-	(174)
Depreciation charge	-	-	(26,486)	(23,380)	(28,082)	(1,804)	(5,418)	(1,722)	-	(86,892)
Closing net book amount	262,037	568,403	882,898	320,596	129,261	54,721	9,176	12,507	2,797	2,242,396
<b>At 31 December 2018</b>										
cost	262,037	-	-	-	310,615	57,660	18,644	-	-	648,956
valuation	-	568,403	1,346,504	561,098	-	-	-	112,088	2,797	2,590,890
Accumulated depreciation and impairment	-	-	(463,606)	(240,502)	(181,354)	(2,939)	(9,468)	(99,581)	-	(997,450)
Net book amount	262,037	568,403	882,898	320,596	129,261	54,721	9,176	12,507	2,797	2,242,396
<b>Parent entity</b>										
<b>At 1 January 2017</b>										
cost	48,772	-	-	-	201,996	2,023	14,209	-	-	267,000
valuation	-	512,478	1,226,798	509,523	-	-	-	109,548	2,825	2,361,172
Accumulated depreciation and impairment	-	-	(378,352)	(183,664)	(108,279)	(1,367)	(6,011)	(96,042)	-	(773,715)
Net book amount	48,772	512,478	848,446	325,859	93,717	656	8,198	13,506	2,825	1,854,457
<b>Year ended 31 December 2017</b>										
Opening net book amount	48,772	512,478	848,446	325,859	93,717	656	8,198	13,506	2,825	1,854,457
Revaluation surplus/(deficit)	-	26,469	31,507	13,909	-	-	-	-	(81)	71,804
Additions	74,583	4,506	29,973	14,853	35,179	18,322	5,995	1,311	48	184,770
Assets included in a disposal group classified as held for sale and other disposals	-	-	(54)	(1)	(320)	-	-	(2)	-	(377)
Depreciation charge	-	-	(25,057)	(22,124)	(20,169)	(836)	(4,820)	(1,828)	-	(74,834)
Closing net book amount	123,355	543,453	884,815	332,496	108,407	18,142	9,373	12,987	2,792	2,035,820
<b>At 31 December 2017</b>										
cost	123,355	-	-	-	233,853	19,310	15,852	-	-	392,370
valuation	-	543,453	1,309,633	544,071	-	-	-	110,856	2,792	2,510,805
Accumulated depreciation and impairment	-	-	(424,818)	(211,575)	(125,446)	(1,168)	(6,479)	(97,869)	-	(867,355)
Net book amount	123,355	543,453	884,815	332,496	108,407	18,142	9,373	12,987	2,792	2,035,820
<b>Year ended 31 December 2018</b>										
Opening net book amount	123,355	543,453	884,815	332,496	108,407	18,142	9,373	12,987	2,792	2,035,820
Revaluation surplus/(deficit)	-	24,950	9,327	6,410	-	1,963	-	-	(8)	42,642
Additions	138,703	-	15,242	5,070	33,214	31,404	5,219	1,261	13	230,126
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(86)	-	-	(19)	-	(105)
Depreciation charge	-	-	(26,486)	(23,380)	(23,629)	(1,804)	(5,418)	(1,722)	-	(82,439)
Closing net book amount	262,058	568,403	882,898	320,596	117,906	49,705	9,174	12,507	2,797	2,226,044

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	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Leased plant and equipment	Library	Other property, plant and equipment <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 December 2018</b>										
cost	262,058	-	-	-	264,617	52,644	17,619	-	-	596,938
valuation	-	568,403	1,346,504	561,098	-	-	-	112,088	2,797	2,590,890
Accumulated depreciation and impairment	-	-	(463,606)	(240,502)	(146,711)	(2,939)	(8,445)	(99,581)	-	(961,784)
<b>Net book amount</b>	<b>262,058</b>	<b>568,403</b>	<b>882,898</b>	<b>320,596</b>	<b>117,906</b>	<b>49,705</b>	<b>9,174</b>	<b>12,507</b>	<b>2,797</b>	<b>2,226,044</b>

1. Plant and equipment includes all operational assets.

2. Other property, plant and equipment includes non-operational assets such as artworks.

**(a) Valuations of land and buildings and works of art**

- The valuation basis of land, buildings and Infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2018 revaluations were based on independent assessments by Colliers International as at 31 December 2018. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).
- The valuation basis of works of art is fair value based on an independent assessment by Colliers International as at 31 December 2018. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 22).

**(b) Non-current assets pledged as security**

Refer to note 18 for information on non-current assets pledged as security by the parent entity and its controlled entities.

	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Total \$'000
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**16. Intangible assets**

**Consolidated**

**At 1 January 2017**

Cost	4,491	93,220	8,099	105,810
Accumulated amortisation and impairment	(2,342)	(75,220)	(877)	(78,439)
<b>Net book amount</b>	<b>2,149</b>	<b>18,000</b>	<b>7,222</b>	<b>27,371</b>

**Year ended 31 December 2017**

Opening net book amount	2,149	18,000	7,222	27,371
Additions	1,053	11,796	1,319	14,168
Disposals	-	-	-	-
Impairment charge	-	-	-	-
Amortisation charge	(629)	(7,648)	(240)	(8,517)
<b>Closing net book amount</b>	<b>2,573</b>	<b>22,148</b>	<b>8,301</b>	<b>33,022</b>

**At 31 December 2017**

Cost	5,544	104,991	9,418	119,953
Accumulated amortisation and impairment	(2,971)	(82,843)	(1,117)	(86,931)
<b>Net book amount</b>	<b>2,573</b>	<b>22,148</b>	<b>8,301</b>	<b>33,022</b>

	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Total \$'000
<b>Year ended 31 December 2018</b>				
Opening net book amount	2,573	22,148	8,301	33,022
Additions	-	13,108	1,371	14,479
Disposals	-	-	-	-
Acquisition of subsidiary	-	-	-	-
Impairment charge	-	-	(205)	(205)
Amortisation charge	(303)	(9,098)	(402)	(9,803)
Closing net book amount	2,270	26,158	9,065	37,493
<b>At 31 December 2018</b>				
Cost	5,544	118,070	10,584	134,198
Accumulated amortisation and impairment	(3,274)	(91,912)	(1,519)	(96,705)
Net book amount	2,270	26,158	9,065	37,493
Closing net book amount	2,270	26,158	9,065	37,493
<b>Parent entity</b>				
<b>At 1 January 2017</b>				
Cost	-	82,131	8,099	90,230
Accumulated amortisation and impairment	-	(65,509)	(877)	(66,386)
Net book amount	-	16,622	7,222	23,844
<b>Year ended 31 December 2017</b>				
Opening net book amount	-	16,622	7,222	23,844
Additions	-	10,674	1,319	11,993
Disposals	-	-	-	-
Impairment charge	-	-	-	-
Amortisation charge	-	(6,989)	(240)	(7,229)
Closing net book amount	-	20,307	8,301	28,608
<b>At 31 December 2017</b>				
Cost	-	92,780	9,418	102,198
Accumulated amortisation and impairment	-	(72,473)	(1,117)	(73,590)
Net book amount	-	20,307	8,301	28,608
<b>Year ended 31 December 2018</b>				
Opening net book amount	-	20,307	8,301	28,608
Additions	-	11,470	1,371	12,841
Disposals	-	-	-	-
Acquisition of subsidiary	-	-	-	-
Impairment charge	-	-	(205)	(205)
Amortisation charge	-	(8,127)	(402)	(8,529)
Closing net book amount	-	23,650	9,065	32,715
<b>At 31 December 2018</b>				
Cost	-	104,221	10,584	114,805
Accumulated amortisation and impairment	-	(80,571)	(1,519)	(82,090)
Net book amount	-	23,650	9,065	32,715
Closing net book amount	-	23,650	9,065	32,715

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>17. Trade and other payables</b>					
<b>Current</b>					
OS-HELP liability to Australian Government		4,539	6,180	4,539	6,180
Deputy Commissioner of Taxation – PAYG		5,016	4,592	5,016	4,592
Office of State Revenue – payroll tax		2,815	3,179	2,815	3,179
Trade creditors and accruals		48,042	27,710	45,041	25,084
Capital accruals		4,632	11,577	4,632	11,577
Other payroll accruals		13,930	9,883	13,907	9,836
Other		5,880	5,336	5,461	5,095
<b>Total trade and other payables</b>		<b>84,854</b>	<b>68,457</b>	<b>81,411</b>	<b>65,543</b>
<b>(a) Foreign currency risk</b>					
The carrying amounts of the group's and parent entity's trade and other payables are denominated in the following currencies:					
AUD		82,521	65,774	79,473	62,941
CAD		2	-	2	-
CHF		137	-	137	-
EUR		589	585	589	585
GBP		95	96	95	96
NZD		-	2	-	2
RMB		373	10	-	-
INR		9	13	9	13
IDR		15	71	-	-
USD		1,111	1,895	1,104	1,895
SGD		2	-	2	-
DKK		-	11	-	11
		<b>84,854</b>	<b>68,457</b>	<b>81,411</b>	<b>65,543</b>
For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 34.					
<b>18. Borrowings</b>					
<b>Current</b>					
Finance lease liabilities	23	5,117	4,559	5,117	4,559
Hire purchase liability		-	-	-	-
<b>Total current borrowings</b>		<b>5,117</b>	<b>4,559</b>	<b>5,117</b>	<b>4,559</b>
<b>Non-current</b>					
Finance lease liabilities	23	4,267	4,994	4,267	4,994
Unsecured bank loans		-	-	-	-
Bond issued		298,373	298,215	298,373	298,215
<b>Total non-current borrowings</b>		<b>302,640</b>	<b>303,209</b>	<b>302,640</b>	<b>303,209</b>
<b>Total borrowings</b>		<b>307,757</b>	<b>307,768</b>	<b>307,757</b>	<b>307,768</b>
<b>Current</b>					
Interest bearing borrowings		5,117	4,559	5,117	4,559
<b>Non-current</b>					
Interest bearing borrowings		302,640	303,209	302,640	303,209
<b>Total borrowings</b>		<b>307,757</b>	<b>307,768</b>	<b>307,757</b>	<b>307,768</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(a) Assets pledged as security</b>					
<b>Non-current</b>					
<b>Finance lease</b>					
Plant and equipment	15	18,644	16,877	17,619	15,852
<b>Total non-current assets pledged as security</b>		<b>18,644</b>	<b>16,877</b>	<b>17,619</b>	<b>15,852</b>
<b>(b) Financing arrangements</b>					
Unrestricted access was available at balance date to the following lines of credit:					
<b>Loan facilities</b>					
Total facilities		150,000	150,000	150,000	150,000
Used at balance date		-	-	-	-
Unused at balance date		150,000	150,000	150,000	150,000
<b>Borrowing commitments</b>					
Within one year		-	-	-	-
Later than one year but not later than five years		-	-	-	-
Later than five years		300,000	300,000	300,000	300,000
<b>Total borrowing commitments</b>		<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>

**(c) Interest rate risk exposures**

Details of the entity's exposure to interest rate changes on borrowings are set out in note 34.

**(d) Fair value disclosures**

Details of fair value of borrowings for the entity are set out in note 34.

**(e) Borrowing classes and conditions**

The university's borrowings comprise a bond (\$300 million), two revolving debt facilities with the National Australia Bank (NAB) (\$75 million) and the Commonwealth Bank of Australia (CBA) (\$75 million) and lease liabilities. Details of the borrowings are listed in note 34.

The NAB and CBA revolving debt facilities have certain conditions which apply until the loan funds are paid in full. The obligations include:

- not to materially change the nature of the university's business without the NAB's or CBA's consent
- not to lessen the NAB's or CBA's rights, powers or remedies under the loan agreement, or
- not to issue a security interest over the university's assets without the prior consent of the NAB or CBA.

**(f) Risk exposure**

At 31 December 2018, 100 per cent of the group's borrowings that have been drawn down are in the form of a bond at a fixed rate of interest or lease liabilities at a fixed interest rate. The carrying amount of the economic entity's borrowings are denominated in Australian dollars. Details of risk exposure of borrowings for the entity are set out in note 34.

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>19. Provisions</b>					
<b>Current provisions expected to be settled wholly within 12 months</b>					
<b>Employee benefits</b>					
annual leave	1 (v)/ 1(w)	29,320	26,120	26,591	23,542
long service leave	1 (v)/ 1(w)	7,367	4,879	6,732	4,729
<b>Total current provisions expected to be settled within 12 months</b>		<b>36,687</b>	<b>30,998</b>	<b>33,323</b>	<b>28,270</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current provisions expected to be settled wholly after more than 12 months</b>					
Employee benefits					
annual leave	1 (v)/ 1(w)	13,640	14,314	13,758	14,539
long service leave	1 (v)/ 1(w)	61,724	60,345	59,826	58,368
<b>Total current provisions expected to be settled wholly after more than 12 months</b>		<b>75,364</b>	<b>74,660</b>	<b>73,584</b>	<b>72,908</b>
Make good provision		20	20	20	20
<b>Total current provisions</b>		<b>112,071</b>	<b>105,678</b>	<b>106,927</b>	<b>101,198</b>
<b>Non-current</b>					
Employee benefits					
long service leave	1 (v)/ 1(w)	31,357	23,715	28,694	20,995
defined benefit obligation		603,869	598,032	603,869	598,032
defined benefit obligation — payroll tax		11,354	10,951	11,354	10,951
<b>Total non-current employee benefit provisions</b>		<b>646,580</b>	<b>632,698</b>	<b>643,917</b>	<b>629,978</b>
Make good provision		6,460	6,979	3,382	3,416
<b>Total non-current provisions</b>		<b>653,040</b>	<b>639,677</b>	<b>647,299</b>	<b>633,394</b>
<b>Total provisions</b>		<b>765,111</b>	<b>745,355</b>	<b>754,226</b>	<b>734,592</b>

**(a) Movement in provisions**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good provision \$'000	Total \$'000
<b>Consolidated 2018</b>		
Carrying amount as at 1 January 2018	6,999	6,999
Additional provisions recognised	-	-
Amounts used	-	-
Unused amounts reversed	(519)	(519)
Carrying amount as at 31 December 2018	6,480	6,480
<b>Parent 2018</b>		
Carrying amount as at 1 January 2018	3,436	3,436
Additional provisions recognised	-	-
Amounts used	-	-
Unused amounts reversed	(34)	(34)
Carrying amount as at 31 December 2018	3,402	3,402

**20. Other financial liabilities**

There are no other financial liabilities as at 31 December 2018 (31 December 2017: \$0)

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>21. Other liabilities</b>					
<b>Current</b>					
Australian government unspent financial assistance		1,037	1,083	1,037	1,083
Prepaid student fees		62,177	59,107	36,629	31,363
Other		9,470	8,328	6,016	6,446
<b>Total current other liabilities</b>		<b>72,684</b>	<b>68,518</b>	<b>43,682</b>	<b>38,892</b>
<b>Total other liabilities</b>		<b>72,684</b>	<b>68,518</b>	<b>43,682</b>	<b>38,892</b>
<b>22. Reserves and retained earnings</b>					
<b>(a) Reserves comprise</b>					
Property, plant and equipment revaluation reserve					
freehold land		531,132	506,182	531,132	506,182
buildings		119,305	109,979	119,305	109,979
building infrastructure		214,189	207,778	214,189	207,778
leasehold improvements		1,963	-	1,963	-
artworks		1,509	1,517	1,509	1,517
library		116	116	116	116
other assets		1	1	1	1
Financial assets at fair value through other comprehensive income		36,141	16,191	36,141	16,191
Cash flow hedge reserve		(762)	(1,928)	(762)	(1,928)
Foreign currency translation reserve		(670)	(735)	-	-
<b>Total reserves</b>		<b>902,924</b>	<b>839,101</b>	<b>903,594</b>	<b>839,836</b>
<b>(b) Movements in reserves</b>					
Property, plant and equipment revaluation reserve					
Balance 1 January		825,573	753,769	825,573	753,769
Increase/(decrease) revaluation	15	42,642	71,804	42,642	71,804
Transfer of reserve to retained earnings		-	-	-	-
<b>Balance 31 December</b>		<b>868,215</b>	<b>825,573</b>	<b>868,215</b>	<b>825,573</b>
Investments revaluation reserve					
Balance 1 January		16,191	11,017	16,191	11,017
Retrospective changes		10,902	-	10,902	-
<b>Balance as restated</b>		<b>27,093</b>	<b>11,017</b>	<b>27,093</b>	<b>11,017</b>
Increase/(decrease) revaluation		9,048	5,174	9,048	5,174
<b>Balance 31 December</b>		<b>36,141</b>	<b>16,191</b>	<b>36,141</b>	<b>16,191</b>
Cash flow hedge reserve					
Balance 1 January		(1,928)	(5,133)	(1,928)	(5,133)
Increase/(decrease) revaluation		1,166	3,205	1,166	3,205
<b>Balance 31 December</b>		<b>(762)</b>	<b>(1,928)</b>	<b>(762)</b>	<b>(1,928)</b>
Foreign currency translation reserve					
Balance 1 January		(735)	(680)	-	-
Net exchange differences on translation of foreign controlled entity		65	(55)	-	-
<b>Balance 31 December</b>		<b>(670)</b>	<b>(735)</b>	<b>-</b>	<b>-</b>
<b>Total reserves</b>		<b>902,924</b>	<b>839,101</b>	<b>903,594</b>	<b>839,836</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

**(c) Nature and purpose of reserves**

Property, plant and equipment revaluation reserve refer note 1(p) for details of nature and purpose of reserve.

Investments revaluation reserve refer note 1(m)(ii) for details of nature and purpose of reserve.

Cash flow hedge reserve refer note 1(n)(i) for details of nature and purpose of reserve.

Foreign currency translation reserve refer note 1(c)(iii) for details of nature and purpose of reserve.

	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(d) Retained earnings</b>					
Movements in retained earnings were as follows:					
Retained earnings at 1 January		1,020,337	947,225	960,585	882,250
Net result for the period		67,257	72,813	74,702	78,036
Net actuarial gains/(losses) recognised in respect of defined benefit plans		222	299	222	299
<b>Retained earnings at 31 December</b>		<b>1,087,816</b>	<b>1,020,337</b>	<b>1,035,509</b>	<b>960,585</b>

	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
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**23. Commitments**

**(a) Capital expenditure commitments**

Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:

**Building works**

within one year		131,242	180,906	128,842	180,906
between one and five years		23,294	-	23,294	-

**Plant and equipment**

within one year		8,654	7,803	8,654	7,803
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**Intangible assets**

within one year		1,325	270	1,325	270
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<b>Total capital commitments</b>		<b>164,515</b>	<b>188,979</b>	<b>162,115</b>	<b>188,979</b>
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**(b) Lease commitments**

**Operating leases**

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

**Premises**

within one year		24,976	15,990	12,627	5,562
between one and five years		62,295	42,200	40,694	17,821
later than five years		101,500	43,894	101,500	43,356

		<b>188,771</b>	<b>102,084</b>	<b>154,821</b>	<b>66,739</b>
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**Motor vehicles**

within one year		13	23	13	23
between one and five years		9	6	9	6

		<b>22</b>	<b>29</b>	<b>22</b>	<b>29</b>
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**Equipment**

within one year		146	24	146	24
between one and five years		207	40	207	40

		<b>353</b>	<b>64</b>	<b>353</b>	<b>64</b>
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<b>Total future minimum lease payments</b>		<b>189,146</b>	<b>102,177</b>	<b>155,196</b>	<b>66,832</b>
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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
In 2019 it is the intention of a UTS subsidiary to enter into a building lease for a term of 15 years for a total value of \$169.8 million plus GST. This amount has not been included in the above lease commitments.					
<b>Finance leases</b>					
The University of Technology Sydney leases various plant and equipment with a carrying amount of \$9,174,196 (2017: \$9,373,979) under finance leases expiring within one to five years.					
Commitments for minimum lease payments in relation to finance leases are payable as follows:					
<b>Equipment</b>					
within one year		5,394	4,837	5,394	4,837
between one and five years		4,391	5,145	4,391	5,145
Total future minimum finance lease payments		9,785	9,982	9,785	9,982
Future finance charges		(401)	(429)	(401)	(429)
Recognised as finance lease liabilities		9,384	9,553	9,384	9,553
Representing lease liabilities					
current liability	18	5,117	4,559	5,117	4,559
non-current liability	18	4,267	4,994	4,267	4,994
		9,384	9,553	9,384	9,553

The weighted average interest rate implicit in the leases is 3.97% (2017: 3.8%).

Commitments for expenditure are recorded on a GST inclusive basis except for finance leases which are recorded on a GST exclusive basis. The potential GST credit on the above commitments is \$32,151,000 (2017: \$26,469,000) for the economic entity and \$28,846,000 (2017: \$23,256,000) for the parent entity.

#### 24. Non-cash financing and investing activities

Acquisition of plant and equipment by means of finance leases		5,219	5,995	5,219	5,995
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#### 25. Defined benefit plans

During the 2018 accounting period, the university contributed to the following superannuation schemes:

- UniSuper
- the State Superannuation Scheme (SSS)
- the State Authorities Superannuation Scheme (SASS), and
- the State Authorities Non-Contributory Superannuation Scheme (SANCS).

##### State Authorities Superannuation Trustee Corporation (STC)

The state schemes are administered by the State Authorities Superannuation Trustee Corporation (STC). The university maintains a reserve account within the STC to assist in financing the employer contributions to the state schemes.

The 2018 calculation of the liabilities of SSS, SASS and SANCS is based on the requirements of AASB 119.

##### (a) Fund specific disclosure

##### Nature of the benefits provided by the defined benefits fund – SSS, SASS and SANCS

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- the State Superannuation Scheme (SSS)
- the State Authorities Superannuation Scheme (SASS); and
- the State Authorities Non-Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes, at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the schemes are closed to new members.

**Description of the regulatory framework**

The schemes in the pooled fund are established and governed by the following NSW legislation: *Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987* and their associated regulations.

The schemes in the pooled fund are exempt public sector superannuation schemes under the Commonwealth's *Superannuation Industry (Supervision) Act 1993* (SIS). The SIS legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a heads of government agreement, the New South Wales Government undertakes to ensure that the pooled fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the pooled fund and the trustee board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the trustee board and internal processes that monitor the trustee board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the pooled fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed at 30 June 2021.

**Description of other entities' responsibilities for the governance of the fund**

The fund's trustee is responsible for the governance of the fund. The trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The trustee has the following roles:

- administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules
- management and investment of the fund assets, and
- compliance with other applicable regulations.

**Description of risks**

There are a number of risks to which the fund exposes the employer. The more significant risks relating to the defined benefits are:

- Investment risk: The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.
- Longevity risk: The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk: The risk that pensions will increase at a rate greater than assumed increasing future pensions.
- Salary growth risk: The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk: The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

**Description of significant events**

There were no fund amendments, curtailments or settlements during the year.

**Expected contributions**

The university expects to make the following contributions to the defined benefit plan during the next financial year:

	SASS	SANCS	SSS	Total
	Financial year to 31 December 2019 A\$	Financial year to 31 December 2019 A\$	Financial year to 31 December 2019 A\$	Financial year to 31 December 2019 A\$
Expected employer contributions	0	1,229,338	0	1,229,338

**Maturity profile of defined benefit obligation**

The weighted average duration of the defined benefit obligation is 11.2 years (2017: 11.2 years).

### Categories of plan assets

The analysis of the plan assets and the expected rate of return at the balance sheet date is as follows:

	Total as at 30 November 2018*	Quoted prices in active markets for identical assets <sup>1</sup>	Significant observable inputs <sup>2</sup>	Unobservable inputs <sup>3</sup>
	\$'000	\$'000	\$'000	\$'000
<b>Asset category</b>				
Short-term securities	3,845,538	1,626,895	2,218,643	0
Australian fixed interest	2,199,199	7,968	2,191,232	0
International fixed interest	1,371,539	32,330	1,338,810	399
Australian equities	7,580,239	7,081,918	495,266	3,055
International equities	10,273,844	7,897,078	2,376,554	213
Property	3,485,411	596,740	767,678	2,120,993
Alternatives	10,488,520	424,255	6,070,406	3,993,859
<b>Total</b>	<b>39,244,291</b>	<b>17,667,184</b>	<b>15,458,588</b>	<b>6,118,519</b>

The percentage invested in each asset class at the reporting date is:

	30 November 2018*	30 November 2017*
	%	%
<b>Asset category</b>		
Short-term securities	9.80	9.50
Australian fixed interest	5.60	6.90
International fixed interest	3.50	3.60
Australian equities	19.30	22.40
International equities	26.20	29.60
Property	8.90	8.70
Alternatives	26.70	19.30
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

\* Actual asset allocation as at 31 December 2018 is not available as advised by the actuary therefore 30 November 2018 has been used.

- Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares, listed unit trusts.
- Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts containing where quoted prices are available in active markets for identical assets or liabilities.
- Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property, unlisted shares, unlisted infrastructure, distressed debt, hedge funds.

### Significant actuarial assumptions at the reporting date

	As at 31 December 2018
Discount rate	2.33% pa
Salary increase rate (excluding promotional increases)	2.7% pa for 2018/19; 3.2% pa thereafter
Rate of CPI increase	2.00% for 2018/19, 2.25% for 2019/20; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 actuarial investigation of the pooled fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

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**Actuarial assumptions and sensitivity**

The entity's total defined benefit obligation as at 31 December 2018 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision, which is calculated based on the asset level at 31 December 2018.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	2.33%	1.33%	3.33%	2.33%	2.33%	2.33%	2.33%
Rate of CPI increase	as above	as above	as above	as above rates plus 05% pa	as above rates less 0.5% pa	as above	as above
Salary inflation rate	as above	as above	as above	as above	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation	657,407,614	735,123,155	592,457,230	695,497,201	622,293,237	658,471,550	656,382,734

	Base case	Scenario G lower mortality <sup>1</sup>	Scenario H higher mortality <sup>2</sup>
Defined benefit obligation	657,407,614	664,201,543	650,436,699

1. Assumes the short-term pensioner mortality improvement factors for years 2018-2023 also apply for years after 2023.

2. Assumes the long-term pensioner mortality improvement factors for years post 2023 also apply for years 2018-2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other assumptions.

**(b) Balance sheet amounts**

**Present value obligations**

	SASS		SANCS		SSS		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Opening defined benefit obligation	39,485,717	42,227,391	7,346,202	8,472,893	605,651,512	609,611,094	652,483,431	660,311,378
Current service cost	890,321	1,228,434	234,574	287,112	671,718	745,409	1,796,613	2,260,955
Past service cost	-	-	-	-	-	-	-	-
Interest expense/(income)	984,940	1,093,210	179,625	214,407	15,614,485	16,501,344	16,779,050	17,808,961
	41,360,978	44,549,035	7,760,401	8,974,412	621,937,715	626,857,847	671,059,094	680,381,294
<b>Remeasurements</b>								
Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	(162,099)	-	(52,146)	-	2,942,025	-	2,727,780	-
Actuarial losses/(gains) arising from changes in financial assumptions	350,849	170,052	86,685	43,154	20,302,043	6,389,021	20,739,577	6,602,227
Actuarial losses/(gains) arising from liability experience	(1,744,437)	2,815,844	(483,304)	636,861	(610,347)	1,828,423	(2,838,088)	5,281,128
	(1,555,687)	2,985,896	(448,765)	680,015	22,633,721	8,217,444	20,629,269	11,883,355
<b>Contributions</b>								
Employers	-	-	-	-	-	-	-	-
Plan participants	468,184	547,156	-	-	300,691	324,155	768,875	871,311
	468,184	547,156	-	-	300,691	324,155	768,875	871,311

	SASS		SANCS		SSS		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Taxes, premiums and expenses paid	(155,136)	(187,655)	(86,539)	(921,263)	(1,620,443)	(1,762,266)	(1,862,118)	(2,871,184)
<b>Payments from plan</b>								
Benefits paid	(4,813,871)	(8,408,715)	(625,832)	(1,386,962)	(27,747,803)	(27,985,668)	(33,187,506)	(37,781,345)
Settlements	-	-	-	-	-	-	-	-
	(4,813,871)	(8,408,715)	(625,832)	(1,386,962)	(27,747,803)	(27,985,668)	(33,187,506)	(37,781,345)
Liabilities from business combination	-	-	-	-	-	-	-	-
Closing defined benefit obligation	35,304,468	39,485,717	6,599,265	7,346,202	615,503,881	605,651,512	657,407,614	652,483,431
<b>Present value of plan assets</b>								
Opening fair value of plan assets	23,731,090	29,252,535	1,047,436	85,502	29,672,629	28,155,007	54,451,155	57,493,044
Current service cost	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Interest income	567,442	745,808	31,622	26,814	762,575	753,397	1,361,639	1,526,019
	24,298,532	29,998,343	1,079,058	112,316	30,435,204	28,908,404	55,812,794	59,019,063
<b>Remeasurements</b>								
Actual return on fund assets less interest income	(225,914)	825,147	(8,976)	(35,531)	(244,549)	221,664	(479,439)	1,011,280
	(225,914)	825,147	(8,976)	(35,531)	(244,549)	221,664	(479,439)	1,011,280
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
<b>Contributions</b>								
Employer	-	956,814	1,427,483	3,278,876	31,058,899	29,966,339	32,486,382	34,202,029
Plan participants	468,184	547,156	-	-	300,691	324,155	768,875	871,311
	468,184	1,503,970	1,427,483	3,278,876	31,359,590	30,290,494	33,255,257	35,073,340
Taxes, premiums and expenses paid	(155,136)	(187,655)	(86,539)	(921,263)	(1,620,443)	(1,762,265)	(1,862,118)	(2,871,183)
<b>Payments from plan</b>								
Benefits paid	(4,813,871)	(8,408,715)	(625,832)	(1,386,962)	(27,747,803)	(27,985,668)	(33,187,506)	(37,781,345)
Settlements	-	-	-	-	-	-	-	-
	(4,813,871)	(8,408,715)	(625,832)	(1,386,962)	(27,747,803)	(27,985,668)	(33,187,506)	(37,781,345)
Assets acquired in a business combination	-	-	-	-	-	-	-	-
Closing fair value of plans assets	19,571,795	23,731,090	1,785,194	1,047,436	32,181,999	29,672,629	53,538,988	54,451,155

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**for the year ended 31 December 2018**

	SASS		SANCS		SSS		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
<b>Reconciliation of the net defined benefit liability/(asset)</b>								
Net defined benefit liability/(asset) at start of year	15,754,626	12,974,856	6,298,767	8,387,392	575,978,883	581,456,087	598,032,276	602,818,335
Current service cost	890,321	1,228,434	234,574	287,112	671,718	745,409	1,796,613	2,260,955
Net interest on the net defined benefit liability/(asset)	417,498	347,401	148,003	187,593	14,851,910	15,747,948	15,417,411	16,282,942
Past service cost	-	-	-	-	-	-	-	-
(Gains)/losses arising from settlements	-	-	-	-	-	-	-	-
Actual return on fund assets less interest income	225,914	(825,147)	8,976	35,531	244,549	(221,665)	479,439	(1,011,281)
Actuarial (gains)/losses arising from changes in demographic assumptions	(162,099)	-	(52,146)	-	2,942,025	-	2,727,780	-
Actuarial (gains)/losses arising from changes in financial assumptions	350,849	170,052	86,685	43,154	20,302,043	6,389,021	20,739,577	6,602,227
Actuarial (gains)/losses arising from liability experience	(1,744,437)	2,815,844	(483,304)	636,861	(610,347)	1,828,422	(2,838,088)	5,281,127
Adjustment for effect of asset ceiling	-	-	-	-	-	-	-	-
Employer contributions	-	(956,814)	(1,427,483)	(3,278,876)	(31,058,899)	(29,966,339)	(32,486,382)	(34,202,029)
Net defined benefit liability/(asset) at end of year note 19	15,732,672	15,754,626	4,814,072	6,298,767	583,321,882	575,978,883	603,868,626	598,032,276
<b>Impact of asset ceiling</b>								
Adjustment for the effect of asset ceiling at beginning of the year	-	-	-	-	-	-	-	-
Change in the effect of asset ceiling	-	-	-	-	-	-	-	-
Adjustment for the effect of asset ceiling at end of the year	-	-	-	-	-	-	-	-
<b>Reimbursement rights</b>								
Opening value of reimbursement right	15,360,842	12,403,291	6,180,561	8,222,395	575,600,134	581,002,820	597,141,537	601,628,506
Expected return on reimbursement rights	149,120	2,957,551	(1,455,858)	(2,041,834)	7,365,521	(5,402,686)	6,058,783	(4,486,969)
Closing value of reimbursement right	15,509,962	15,360,842	4,724,703	6,180,561	582,965,655	575,600,134	603,200,320	597,141,537
<b>Net liability</b>								
Defined benefit obligation	35,304,468	39,485,717	6,599,265	7,346,202	615,503,881	605,651,512	657,407,614	652,483,431
Fair value of plan assets	(19,571,795)	(23,731,090)	(1,785,194)	(1,047,436)	(32,181,999)	(29,672,629)	(53,538,988)	(54,451,155)
Net liability note 19	15,732,673	15,754,627	4,814,071	6,298,766	583,321,882	575,978,883	603,868,626	598,032,276
Reimbursement right note 10	15,509,962	15,360,842	4,724,703	6,180,561	582,965,655	575,600,134	603,200,320	597,141,537
Net liability/(asset) in balance sheet	222,711	393,785	89,368	118,205	356,227	378,749	668,306	890,739
<b>Amounts recognised in the statement of financial position</b>								
<b>Liabilities</b>								
Provision for deferred government benefits for superannuation	15,732,673	15,754,627	4,814,071	6,298,766	583,321,882	575,978,883	603,868,626	598,032,276
Total liabilities recognised in statement of financial position	15,732,673	15,754,627	4,814,071	6,298,766	583,321,882	575,978,883	603,868,626	598,032,276

	SASS		SANCS		SSS		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
<b>Assets</b>								
Receivable for deferred government contribution for superannuation	15,509,962	15,360,842	4,724,703	6,180,561	582,965,655	575,600,134	603,200,320	597,141,537
Total assets recognised in statement of financial position	15,509,962	15,360,842	4,724,703	6,180,561	582,965,655	575,600,134	603,200,320	597,141,537
Net liability recognised in the statement of financial position	222,711	393,785	89,368	118,205	356,227	378,749	668,306	890,739
<b>Amounts recognised in other statements</b>								
<b>Amounts recognised in the income statement</b>								
Current service cost	890,321	1,228,434	234,574	287,112	671,718	745,408	1,796,613	2,260,954
Net interest	417,498	347,401	148,003	187,593	14,851,910	15,747,948	15,417,411	16,282,942
Expected return on plan assets	-	-	-	-	-	-	-	-
Past service costs	-	-	-	-	-	-	-	-
Losses/(gains) arising from curtailments or settlements	-	-	-	-	-	-	-	-
Expense/(income)	1,307,819	1,575,835	382,577	474,705	15,523,628	16,493,356	17,214,024	18,543,896
<b>Other comprehensive income</b>								
Actuarial losses/(gains) on liabilities	(1,555,687)	2,985,896	(448,765)	680,016	22,633,721	8,217,443	20,629,269	11,883,355
Actual return on fund assets less interest income	225,914	(825,147)	8,976	35,531	244,549	(221,665)	479,439	(1,011,281)
Recognised in other comprehensive income	(1,329,773)	2,160,749	(439,789)	715,547	22,878,270	7,995,778	21,108,708	10,872,074

#### UniSuper Management Limited

The university contributes to UniSuper for non-academic staff appointed since 1 July 1991 and academic staff appointed since 1 March 1998. UniSuper offers both a defined benefit scheme and an accumulation scheme with a range of investment options.

- The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under superannuation law but is considered to be a defined contribution plan under AASB 119 *Employee Benefits*.
- During the 2006 year clause 34 of the UniSuper Trust Deed was amended which substantially transfers the actuarial risks from the employer to the employee. The amendment to the trust deed has resulted in the UniSuper defined benefit fund to be reclassified as a defined contribution fund for the purposes of AASB 119.
- As at 30 June 2018, the assets of the DBD in aggregate were estimated to be \$3.785 million above vested benefits, after allowing for various reserves. The vested benefit index based on funding assumptions was 118.5 per cent. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- As at 30 June 2018, the assets of the DBD in aggregate were estimated to be \$5.477 million above accrued benefits, after allowing for various reserves. The accrued benefit index based on best estimate assumptions was 129.1 per cent. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.
- The vested benefit and accrued benefit liabilities were determined by the fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2018. The financial assumptions used were:

	Vested benefits % pa	Accrued benefits % pa
Gross of tax investment return – DBD pensions	5.30	6.60
Gross of tax investment return – commercial rate indexed pensions	2.90	2.90
Net of tax investment return – non-pensioner members	4.70	5.80
Consumer Price Index	2.00	2.00
Inflationary salary increases long term	3.00	3.00

- Assets have been included at their net market value, that is allowing for realisation costs.

## 26. Contingent assets and contingent liabilities

### (a) Contingent assets

The university carries out various research projects and has developed intellectual properties and registered patents. At the commercialisation of these the university may realise a future monetary benefit.

### (b) Contingent liabilities

- Consequent upon the HIH Insurance Group being placed in provisional liquidation on 16 March 2001, the university may have an exposure to the non-settlement of potential public liability claims. The extent of any potential exposure cannot be estimated.
- The federal and New South Wales governments have signed a memorandum of understanding (MOU) for the financial assistance of unfunded superannuation liabilities of New South Wales universities. Although the agreement provides funding to NSW universities for their liability in relation to the unfunded defined benefit plans any deemed liability resulting from payment of excess salaries (as defined in the MOU) is not covered under the agreement and therefore the liability remains with the university. To date an amount of \$432,000 has been paid to the trustee for university employees who are members of the relevant superannuation plans. In addition there is an emerging excess salary liability of \$668,000, which has been recognised in the statement of other comprehensive income.
- There are ongoing legal matters where it is still not practical to estimate the potential effect of these matters, but legal advice indicates, based on current information, that any liabilities that may arise in the event that the claims are successful, are unlikely to be significant in the context of the university's business.
- The university has provided a financial guarantee for the Insearch Ltd lease on 645 Harris St, Ultimo. The university does not expect a financial obligation to arise from this guarantee.

The university is not aware of any other contingent liabilities.

## 27. Economic dependency

The university has no economic dependency on any other economic entity not clearly discernable in the income statement or statement of financial position.

## 28. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy specified in note 1(b).

Name of entity	Principal activities	Principal place of business	Ownership interest/control		Equity	
			2018 %	2017 %	2018 \$'000	2017 \$'000
<b>Parent entity</b>						
University of Technology Sydney	Education services	Australia	-	-	1,940,781	1,803,021
<b>Controlled entities</b>						
Insearch Limited (company limited by guarantee) <sup>1</sup>	Education services	Australia	100	100	48,642	55,204
Insearch (Shanghai) Limited	Education services	China	100	100	555	263
Insearch Education International Pty Limited	Education services	Australia	100	100	183	184
Insearch India LLP	Education services	India	100	-	56	-
accessUTS Pty Limited	Consulting	Australia	100	100	420	597
UTS Global Pty Ltd	Marketing services	Australia	100	100	248	261
UTS Beijing Ltd	Marketing services	China	100	100	(145)	(94)
Piivot Pty Ltd	Dormant	Australia	100	100	-	2

1. Insearch Limited is a controlled entity limited by guarantee. The Insearch Limited constitution prohibits the income or property of the company to be paid directly or indirectly, by way of dividend, bonus or otherwise, to the members of the company.

The above companies are consolidated in the university statutory accounts under AASB10 *Consolidated Financial Statements*.



## 29. Related parties

### (a) Parent entities

The ultimate parent entity within the group is the University of Technology Sydney.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 28.

### (c) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in note 7.

### (d) Transactions with related parties in the wholly owned group

The parent entity entered into the following transactions during the period with related parties in the group.

- Donations amounting to \$18,065,226 (2017: \$17,752,767) were paid or payable to the ultimate controlling entity.
- Donations amounting to \$400,000 (2017: \$400,000) were paid by the ultimate controlling entity to subsidiaries.
- Sale of services and fees \$31,725,331 (2017: \$31,016,975) to the wholly owned University of Technology Sydney group.
- Purchase of services and fees \$25,284,730 (2017: \$24,120,616) by the wholly owned University of Technology Sydney group.
- Purchase of shares in a subsidiary \$0 (2017: \$0) by the wholly owned University of Technology Sydney group.

### (e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current receivables</b>				
Subsidiaries	-	-	1,540	2,279
<b>Current receivables (loans)</b>				
Subsidiaries	-	-	35	35
<b>Current payables</b>				
Subsidiaries	-	-	4	4

Included in the total doubtful debts provision in the parent entity is a provision of \$0 (2017: \$46,862) for doubtful debts for outstanding balances due from related parties.

	Revenue		Results		Assets	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>30. Disaggregation information (consolidated)</b>						
<b>Geographical (consolidated entity)</b>						
Australia	1,119,178	1,025,062	67,231	69,326	3,218,023	3,045,730
China	4,012	5,357	(35)	3,487	2,992	3,131
United Kingdom	-	-	-	-	-	675
India	-	-	61	-	131	-
<b>Total</b>	<b>1,123,190</b>	<b>1,030,419</b>	<b>67,257</b>	<b>72,813</b>	<b>3,221,146</b>	<b>3,049,536</b>

(a) Includes discontinued operations.

### 31. Events occurring after the balance sheet date

The university is not aware of any other subsequent events which have affected the reported result.

	Economic entity (Consolidated)		Parent entity (University)	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>32. Reconciliation of net result after income tax to net cash flows from operating activities</b>				
Net result for the period	67,257	72,813	74,702	78,036
Depreciation, amortisation and impairment PPE	96,695	87,921	90,968	82,063
Impairment of intangibles	205	-	205	-
Increase/(decrease) in provisions:				
annual leave	2,526	4,156	2,268	3,889
doubtful debts	(69)	(57)	6	(34)
long service leave	11,509	566	11,160	(221)
deferred superannuation	5,837	(4,786)	5,837	(4,786)
payroll tax on deferred super provision	403	-	403	-
Decrease/(increase) in receivables	1,035	(4,168)	2,450	(6,977)
Decrease/(increase) in non-current receivables	(6,058)	4,487	(6,058)	4,487
Decrease/(increase) in prepayments and accrued income	(1,557)	(10,004)	(1,117)	(10,342)
(Decrease)/increase in accounts payable	5,516	10,014	4,987	9,198
(Decrease)/increase in income in advance	4,166	14,283	4,790	13,864
Amortisation of prepaid borrowing costs	714	(1,810)	714	(1,810)
(Profit)/loss on sale of assets	102	682	82	697
Share of profit of joint venture not received as dividends or distribution	(524)	(483)	-	-
Fair value gains on other financial assets at fair value through profit or loss	7	(1,307)	7	(1,307)
Actuarial gain/(loss) on deferred superannuation	222	299	222	299
Net cash provided by operating activities	187,986	172,606	191,626	167,056

### 33. Acquittal of Australian Government financial assistance

#### 33.1 Education – CGS and other education grants

Parent entity (University) only									
	Notes	Commonwealth Grant Scheme <sup>1</sup>		Indigenous Student Success Program		Access and Participation Fund		Disability Performance Funding	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		214,744	215,655	1,460	1,410	3,097	2,931	385	381
Net accrual adjustments		–	(1,508)	–	–	–	–	–	–
<b>Revenue for the period</b>	2.1(a)	214,744	214,147	1,460	1,410	3,097	2,931	385	381
Surplus/(deficit) from the previous year		–	–	–	26	–	–	–	–
Total revenue including accrued revenue		214,744	214,147	1,460	1,436	3,097	2,931	385	381
Less expenses including accrued expenses		(214,744)	(214,147)	(1,460)	(1,436)	(3,097)	(2,931)	(385)	(381)
Surplus/(deficit) for reporting period		–	–	–	–	–	–	–	–

Parent entity (University) only							
	Notes	Promotion of Excellence in Teaching in Higher Education		Australian Maths and Science Partnership Program		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		–	111	–	–	219,686	220,488
Net accrual adjustments		–	–	–	–	–	(1,508)
<b>Revenue for the period</b>		–	111	–	–	219,686	218,980
Surplus/(deficit) from the previous year		–	–	–	–	–	26
Total revenue including accrued revenue		–	111	–	–	219,686	219,006
Less expenses including accrued expenses		–	(111)	–	–	(219,686)	(219,006)
Surplus/(deficit) for reporting period		–	–	–	–	–	–

1. Includes the basic CGS grant amount, CGS – regional loading, CGS – enabling loading, and CGS – special advances from future years.

#### 33.2 Higher education loan programs (excluding OS-HELP)

Parent entity (University) only									
	Notes	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash payable/(receivable) at beginning of year		750	(199)	1,499	421	4	(95)	2,253	127
Financial assistance received in cash during the reporting period		162,143	153,736	43,783	43,143	3,333	3,298	209,259	200,177
<b>Cash available for period</b>		162,893	153,537	45,282	43,564	3,337	3,203	211,512	200,304
Net accrual adjustments		(1,036)	(750)	(1,874)	(1,499)	(3)	(4)	(2,913)	(2,253)
<b>Revenue for the period</b>	2.1(b)	161,857	152,787	43,408	42,065	3,334	3,199	208,599	198,051
Cash payable/(receivable) at end of year		1,036	750	1,874	1,499	3	4	2,913	2,253

### 33.3 Australian Research Council grants

Parent entity (University) only							
	Notes	Discovery		Linkages		Networks and centres	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		13,292	9,204	2,881	2,970	-	-
Net accrual adjustments		480	575	323	376	424	476
Revenue for the period	2.1(d)	13,772	9,779	3,204	3,346	424	476
Surplus/(deficit) from the previous year		7,208	7,526	5,226	4,154	170	65
Total revenue including accrued revenue		20,980	17,305	8,430	7,500	594	541
Less expenses including accrued expenses		(10,973)	(10,097)	(3,966)	(2,274)	(328)	(371)
Surplus/(deficit) for reporting period		10,007	7,208	4,464	5,226	266	170

Parent entity (University) only					
	Notes	Special research initiatives		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		-	-	16,173	12,174
Net accrual adjustments		-	-	1,227	1,427
Revenue for the period	2.1(d)	-	-	17,400	13,601
Surplus/(deficit) from the previous year		24	24	12,628	11,769
Total revenue including accrued revenue		24	24	30,028	25,370
Less expenses including accrued expenses		-	-	(15,267)	(12,742)
Surplus/(deficit) for reporting period		24	24	14,761	12,628

### 33.4 Other capital funding

Parent entity (University) only					
	Notes	Linkage Infrastructure, Equipment and Facilities		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,402	450	1,402	450
Net accrual adjustments		2	(19)	2	(19)
Revenue for the period	2.1(e)	1,404	431	1,404	431
Surplus/(deficit) from the previous year		1,523	518	1,523	518
Total revenue including accrued revenue		2,927	949	2,927	949
Less expenses including accrued expenses		(209)	574	(209)	574
Surplus/(deficit) for reporting period		2,718	1,523	2,718	1,523

### 33.5 Education research

Parent entity (University) only							
		Research Training Program <sup>1</sup>		Research Support Program <sup>2</sup>		Total	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Financial assistance received in cash during the reporting period</b> (total cash received from the Australian Government for the program)		17,087	16,686	12,517	11,650	29,604	28,336
Net accrual adjustments		-	-	-	-	-	-
<b>Revenue for the period</b>	2.1(c)	17,087	16,686	12,517	11,650	29,604	28,336
Surplus/(deficit) from the previous year		-	727	-	878	-	1,605
Total revenue including accrued revenue		17,087	17,413	12,517	12,528	29,604	29,941
Less expenses including accrued expenses		(17,087)	(17,413)	(12,517)	(12,528)	(29,604)	(29,941)
<b>Surplus/(deficit) for reporting period</b>		-	-	-	-	-	-

1. Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

2. Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

### 33.5 Total Higher Education Provider research training program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research training program fees offsets	7,544	757
Research training program stipends	8,727	56
Research training program allowances	-	-
<b>Total for all types of support</b>	<b>16,271</b>	<b>813</b>

### 33.6 OS-HELP

Parent entity (University) only		
OS-HELP		
	2018 \$'000	2017 \$'000
<b>Cash received during the reporting period</b>	3,336	8,525
Cash spent during the reporting period	(4,977)	(5,429)
<b>Net cash received</b>	<b>(1,641)</b>	<b>3,096</b>
Cash surplus/(deficit) from previous period	6,180	3,084
<b>Cash surplus/(deficit) for reporting period</b>	<b>4,539</b>	<b>6,180</b>

### 33.7 Higher Education Superannuation Program

Parent entity (University) only		
OS-HELP		
	2018 \$'000	2017 \$'000
<b>Cash received during the reporting period</b>	31,059	25,429
University contribution in respect of current employees	(31,059)	(25,429)
<b>Cash available</b>		
Cash surplus/(deficit) from previous period	-	-
<b>Cash available for current period</b>		
Contributions to specified defined benefit funds	-	-
<b>Cash surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>

### 33.8 Student Services and Amenties Fee

	Parent entity (University) only	
	SA-HELP	
	2018 \$'000	2017 \$'000
Unspent/(overspent) revenue from previous period	-	-
SA-HELP revenue earned	3,334	3,199
Student services fees direct from students	6,695	6,331
<b>Total revenue expendable in period</b>	<b>10,029</b>	<b>9,530</b>
Student services expenses during period	(10,029)	(9,530)
Unspent/(overspent) student services revenue	-	-

### 34. Financial risk management

The group's activities exposes it to a variety of financial risks mainly market risk (including currency and interest rate risk), credit risk and liquidity risk.

The group's principal financial instruments comprise cash and term deposits, receivables, available for sale investments, payables, bonds, loans and finance leases. The main purpose of these financial instruments is to raise finance for the group's operations.

The group manages its exposure to key financial risks including interest rate and currency risk in accordance with the university's investment procedures and directions from the university's Finance Committee. The objective is to protect the future financial security of the university.

The main risks arising from the group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The group utilises different methods to measure and manage the different types of risks to which it is exposed. These include monitoring interest rates and foreign currency and assessing the impact on movements through monthly forecasting.

#### (a) Market risk

##### Foreign exchange risk

The group's exposure to market risk for changes in foreign exchange rates relates primarily to the group's payments to overseas suppliers in payables and to a lesser extent foreign currency trade debtor invoices in receivables. The group's foreign currency payments and receipts are not significant and university practice is to generally use the spot rate when paying or receiving foreign currency amounts. For significant foreign denominated purchases of goods or services the university enters into forward exchange contracts on an ad-hoc basis to limit the foreign exchange risk.

The group has minimal balance sheet exposure to foreign currency movements with the majority of operations of the group occurring within Australia. Subsidiaries, Insearch Limited and UTS Global Pty Ltd, have investments in Southeast Asia, India and China that can impact the subsidiary however on an economic entity basis the impact is minimal.

##### Interest rate risk

The group's exposure to market risk for changes in interest rate relates primarily to the group's long-term debt obligations and investments in term deposits. Long-term debt obligations are managed mainly by a revolving \$150 million debt facility with the National Australia Bank (\$75 million) and the Commonwealth Bank of Australia (\$75 million). As at 31 December 2018, 100 per cent of the group's borrowings which has been drawn down is at a fixed rate of interest.

The group primarily invests in term deposits to maximise returns. The investment portfolio is reviewed by the university's Finance Committee within the framework of the university's investment procedures.

##### Instruments used by the group:

The group has the following instruments:

- bond of \$300 million
- revolving debt facility of \$150 million.

##### Cash flow hedges

The university has no cash flow hedges as at 31 December 2018.

### Summarised sensitivity analysis

The following table summarises the sensitivity of the group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The group anticipates that interest rates may move by up to 0.25 per cent in the 2018 year.

	Carrying amount	Interest rate risk				Foreign exchange risk			
		0.25%		-0.25%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2018</b>									
<b>Financial assets</b>									
Cash and cash equivalents	213,771	534	534	(534)	(534)	-	-	-	-
Receivables	629,518	-	-	-	-	(156)	(156)	156	156
Managed funds	15,045	38	38	(38)	(38)	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Shares in other organisations	37,375	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	5,483	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>901,192</b>								
<b>Financial liabilities</b>									
Payables	84,854	-	-	-	-	233	233	(233)	(233)
Bonds	298,373	-	-	-	-	-	-	-	-
Finance leases and hire purchase liabilities	9,384	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Derivatives — interest rate swaps	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>392,611</b>								
<b>Total increase/(decrease)</b>		<b>572</b>	<b>572</b>	<b>(572)</b>	<b>(572)</b>	<b>77</b>	<b>77</b>	<b>(77)</b>	<b>(77)</b>
<b>31 December 2017</b>									
<b>Financial assets</b>									
Cash and cash equivalents	265,471	664	664	(664)	(664)	-	-	-	-
Receivables	624,426	-	-	-	-	(282)	(282)	282	282
Managed funds	14,132	35	35	(35)	(35)	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Shares in other organisations	17,459	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	4,871	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>926,359</b>								
<b>Financial liabilities</b>									
Payables	68,457	-	-	-	-	268	268	(268)	(268)
Bonds	298,215	-	-	-	-	-	-	-	-
Finance leases and hire purchase liabilities	9,553	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Derivatives — interest rate swaps	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>376,225</b>								
<b>Total increase/(decrease)</b>		<b>699</b>	<b>699</b>	<b>(699)</b>	<b>(699)</b>	<b>(14)</b>	<b>(14)</b>	<b>14</b>	<b>14</b>

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

**(b) Credit risk**

Credit risk arises from the financial assets of the group, which comprises cash and cash equivalents (including term deposits), trade and other receivables and other financial assets. The group's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The group trades only with recognised, creditworthy third parties and as such collateral is not requested.

Receivables balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. For trade and student receivables the university applies a simplified approach in calculating expected credit losses. Therefore, the university does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The university has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**(c) Liquidity risk**

The group's objective is to maintain a balance between continuity of funding and flexibility through use of bank loans, bonds and finance leases. The economic entity has two revolving debt facilities: National Australia Bank for \$75 million and the Commonwealth Bank of Australia for \$75 million for a total overall facility of \$150 million. As at 31 December 2018, no funds have been drawn down on these facilities by the university.

The parent entity liquidity ratio in 2018 has been impacted by reduced cash balances due to the university's investment in new physical infrastructure to improve student facilities. The university expects a major portion of the employee leave provision liabilities to be paid after 12 months, which therefore significantly reduces any liquidity risk to the university.

The university has provided a financial guarantee to Insearch Ltd for its lease commitments on 645 Harris Street, Ultimo. The university does not expect any financial obligation from the provision of the guarantee.

The following tables summarises the maturity of the group's financial assets and financial liabilities. The below table includes principle payments only.

	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
<b>31 December 2018</b>							
<b>Financial assets</b>							
Cash and cash equivalents	2.34	-	213,771	-	-	-	213,771
Receivables	-	-	-	-	-	629,518	629,518
Managed funds	0.50	-	-	15,045	-	-	15,045
Forward exchange contracts	-	-	-	-	-	-	-
Shares in other organisations	-	-	-	-	-	37,375	37,375
Investments accounted for using the equity method	-	-	-	-	-	5,483	5,483
<b>Total financial assets</b>	-	-	<b>213,771</b>	<b>15,045</b>	-	<b>672,376</b>	<b>901,192</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	84,854	84,854
Loans	3.83	-	-	-	298,373	-	298,373
Finance leases and hire purchase liabilities	3.97	-	5,117	4,267	-	-	9,384
<b>Total financial liabilities</b>	-	-	<b>5,117</b>	<b>4,267</b>	<b>298,373</b>	<b>84,854</b>	<b>392,611</b>



	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
<b>31 December 2017</b>							
<b>Financial assets</b>							
Cash and cash equivalents	2.26	-	265,471	-	-	-	265,471
Receivables	-	-	-	-	-	624,426	624,426
Managed funds	10.34	-	-	14,132	-	-	14,132
Forward exchange contracts	-	-	-	-	-	-	-
Shares in other organisations	-	-	-	-	-	17,459	17,459
Investments accounted for using the equity method	-	-	-	-	-	4,871	4,871
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>265,471</b>	<b>14,132</b>	<b>-</b>	<b>646,756</b>	<b>926,359</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	68,457	68,457
Loans	3.83	-	-	-	298,215	-	298,215
Finance leases and hire purchase liabilities	3.80	-	4,559	4,994	-	-	9,553
Forward exchange contracts	-	-	-	-	-	-	-
Derivatives — interest rate swaps	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,559</b>	<b>4,994</b>	<b>298,215</b>	<b>68,457</b>	<b>376,225</b>

**(d) Fair value measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of trade receivables less impairment provision and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

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

	2018		2017	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	213,771	213,771	265,471	265,471
Receivables	629,518	629,518	624,426	624,426
Managed funds	15,045	15,045	14,132	14,132
Shares in other organisations	37,375	37,375	17,459	17,459
<b>Total financial assets</b>	<b>895,709</b>	<b>895,709</b>	<b>921,488</b>	<b>921,488</b>
<b>Financial liabilities</b>				
Payables	84,854	84,854	68,457	68,457
Bonds	298,373	298,373	298,215	298,215
Finance leases	9,384	9,384	9,553	9,553
<b>Total financial liabilities</b>	<b>392,611</b>	<b>392,611</b>	<b>376,225</b>	<b>376,225</b>

The group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- financial assets at fair value through profit or loss
- derivative financial instruments
- investments in equity instruments designated at fair value through other comprehensive income
- land and buildings and works of art
- non-current receivables: superannuation.

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

**(e) Fair value hierarchy**

The university categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

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

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

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

(i) Fair value measurements recognised in the balance sheet are categorised into the following levels:

	Notes	31 Dec 2018 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	603,200	–	603,200	–
Other financial assets at fair value through profit or loss – managed funds	11	15,045	15,045	–	–
Investments in equity instruments designated at fair value through other comprehensive income	11	37,268	411	37,268	–
Other financial assets at amortised cost	11	107	107	–	–
<b>Total financial assets</b>		<b>655,620</b>	<b>15,563</b>	<b>640,468</b>	<b>–</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	1,774,694	–	2,797	1,771,897
<b>Total non-financial assets</b>		<b>1,774,694</b>	<b>–</b>	<b>2,797</b>	<b>1,771,897</b>
<b>Financial liabilities</b>					
Derivatives used for hedging	20	–	–	–	–
Not applicable all other financial liabilities at amortised cost		–	–	–	–
<b>Total financial liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Notes	31 Dec 2017 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	597,142	–	597,142	–
Other financial assets at fair value through profit or loss – managed funds	11	14,132	14,132	–	–
Investments in equity instruments designated at fair value through other comprehensive income	11	17,318	–	–	17,318
Other financial assets at amortised cost	11	141	–	–	141
<b>Total financial assets</b>		<b>628,733</b>	<b>14,132</b>	<b>597,142</b>	<b>17,459</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	1,763,556	–	2,792	1,760,764
<b>Total non-financial assets</b>		<b>1,763,556</b>	<b>–</b>	<b>2,792</b>	<b>1,760,764</b>
<b>Financial liabilities</b>					
Derivatives used for hedging	20	–	–	–	–
Not applicable all other financial liabilities at amortised cost		–	–	–	–
<b>Total financial liabilities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

The university has classified land, buildings and infrastructure as level 3 as the valuation methodology used is not based on observable market data. The university has also classified works of art as level 2 as the valuation methodology used is based on observable market data however not in an active market.

**(ii) Disclosed fair values**

The fair value of financial instruments traded in active markets (such as publicly traded shares) is based on quoted market prices at the balance sheet date (level 1). This is the most representative of fair value in the circumstances. The fair value of financial instruments that are not traded in an active market (for example, shares not listed on the stock exchange) is based on an external valuation using either the net asset or deprival methods.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The fair value of non-current borrowings disclosed in note 18 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2018, the borrowing rate is 3.825 per cent which is the yield rate on the \$300 million bond. The fair value of current borrowings approximates the carrying amount as the impact of discounting is not significant.

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

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

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

The below fair value estimates are included in level 2:

- Receivables: relates to the defined superannuation benefit funds listed in note 25 and valued independently on a yearly basis.
- Investments in equity instruments designated at fair value through other comprehensive income: relates to investments in unlisted shares valued independently on an annual basis.
- Works of art: valued independently at least once every three years.

The below fair value estimates are included in level 3:

- Land, buildings and infrastructure are valued independently on a yearly basis. At the end of each reporting period the group updates the assessment of the fair value of each property taking into account the most recent independent valuation.

**(g) Fair value measurements using significant unobservable inputs (level 3)**

The following table is a reconciliation of level 3 items for the periods ended 31 December 2018 and 31 December 2017.

	Unlisted securities \$'000	Land, buildings and infrastructure \$'000	Total \$'000
<b>31 December 2018</b>			
Opening balance	17,459	1,760,764	1,778,223
Acquisitions		20,312	20,312
Disposals	-	-	-
Transfers from level 1		-	-
Transfers from level 2	-	-	-
Transfers out of level 3	(17,459)	-	(17,459)
Recognised in profit or loss	-	(49,866)	(49,866)
Recognised in other comprehensive income		40,687	40,687
<b>Closing balance</b>	<b>-</b>	<b>1,771,897</b>	<b>1,771,897</b>
<b>31 December 2017</b>			
Opening balance	11,796	1,686,783	1,698,579
Acquisitions	49	49,332	49,381
Disposals	-	(55)	(55)
Transfers from level 1	440	-	440
Transfers from level 2	-	-	-
Transfers out of level 3	-	-	-
Recognised in profit or loss	-	(47,181)	(47,181)
Recognised in other comprehensive income	5,174	71,885	77,059
<b>Closing balance</b>	<b>17,459</b>	<b>1,760,764</b>	<b>1,778,223</b>

**End of audited financial statements**



# UTS Global Pty Ltd

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## Directors' report

**UTS Global Pty Ltd**  
ACN 154 014 481  
**DIRECTORS' REPORT**  
For the year ended 31<sup>st</sup> December 2018

In accordance with section 298(2)(a) *Corporations Act 2001*, it is reported that:

- The Directors in office during the financial year and at the date of this report are:  
Mr Iain Watt (Chair) (Commenced 30<sup>th</sup> July 2018)  
Mr Patrick Woods  
Professor Chris Earley (Commenced 4<sup>th</sup> April 2018)  
Professor William Purcell (Ceased 4<sup>th</sup> April 2018)

- The Directors held two (2) ordinary meetings and zero (0) annual general meeting during the year ended 31<sup>st</sup> December 2018. Attendance at those meetings was as follows:

	Number of Meetings	Meetings Attended
Mr Iain Watt	1	1
Mr Patrick Woods	2	2
Professor Chris Earley	2	2
Professor William Purcell	1	1

- Other directorships held by Directors are as follows:

Mr Iain Watt  
Insearch Pty Ltd  
UTS Beijing  
Insearch Shanghai Ltd  
UTS Global

Mr Patrick Woods  
Director of Pivot Pty Ltd, Woods International Pty Ltd, accessUTS and Cancer Care Associates P/L  
Board Member of Capital Advancement Committee - (Sub-committee of Uniting)

Professor Chris Earley  
Insearch Pty Ltd

Professor William Purcell  
Director of Insearch Limited and The Global Society Pty Ltd  
Trustee of the Mitsui Education Foundation, Sydney Educational Broadcasting Limited

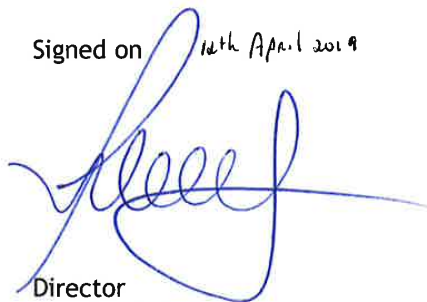
- The objectives of the Company are to establish subsidiary offices in China and India (and potentially other countries) which will provide the following services to UTS: profile-building and marketing, government and media relationship management, identification and development of collaborative research and teaching opportunities, market intelligence, organisation of senior executive visits, and assisting UTS faculties, research centres and offices in their in-country activities.

## Directors' report (continued)

**UTS Global Pty Ltd**  
ACN 154 014 481  
**DIRECTORS' REPORT**  
For the year ended 31<sup>st</sup> December 2018

5. Operations for the financial period ended 31 December 2018 resulted in a loss of \$12,838.
6. The Company has issued one share with UTS as the sole shareholder with \$1 shareholding.
7. In 2018 the company oversaw the efficient and effective work of its subsidiary, UTS Beijing Ltd., which operates to further UTS interests in China. UTS Beijing Ltd. finished the year having supported the development of new pathway opportunities for UTS; deepened relationships with key technology partner institutions and key stakeholders in China; and ensured UTS remained one of the leading universities in Australia in terms of the number of China Scholarship Council-supported HDR students undertaking research at UTS.
8. No Director of the Company has, during and since the end of the financial period, received or become entitled to receive any benefits.
9. Directors and officers of the Company are covered by a policy for Directors and Officers Liability Insurance, held by the University of Technology Sydney. Cover is for a maximum \$30 million in any one claim and in the aggregate.
10. A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached.
11. In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.
12. The Company's operations comply with the environmental regulations under both Commonwealth and State legislation.

Signed on 14th April 2019



Director  
Mr Iain Watt



Director  
Mr Patrick Woods

## Directors' declaration

### UTS Global Pty Ltd

ACN 154 014 481

#### DIRECTORS' DECLARATION For the year ended 31<sup>st</sup> December 2018

In accordance with Section 295 (4) of the *Corporations Act 2001*, we, the Directors whose signatures and names appear below, do hereby state on behalf of the Board that in the opinion of the Directors:

- a) the financial statements and notes present a true and fair view of the financial position and performance of the Company as at 31 December 2018 and the results of its operations and transactions of the Company for the year then ended;
- b) the financial statements and notes have been prepared in accordance with the *Corporations Act 2001*;
- c) the financial statements and notes have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Regulations and other mandatory financial reporting requirements;
- d) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing funding support from the University of Technology Sydney; and
- e) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed on 13<sup>th</sup> April 2019 in accordance with a resolution of Directors.



Director  
Mr Iain Watt



Director  
Mr Patrick Woods

## Statement in accordance with the Public Finance and Audit Act

**UTS Global Pty Ltd**  
ACN 154 014 481

**STATEMENT IN ACCORDANCE WITH THE *PUBLIC FINANCE AND AUDIT ACT 1983***

**For the year ended 31<sup>st</sup> December 2018**

Pursuant to the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2015* and in accordance with the resolution of the Board of Directors, we declare that in our opinion:

- (a) The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of the company as at 31 December 2018 and transactions for the year then ended; and
- (b) The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, as amended and *Public Finance & Audit Regulations 2015*, Australian Accounting Standards including Australian Accounting Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

Further, we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed at Sydney on 12<sup>th</sup> April 2019



Director  
Mr Iain Watt



Director  
Mr Patrick Woods



# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### UTS Global Pty Limited

To Members of the New South Wales Parliament and Members of UTS Global Pty Limited.

#### Opinion

I have audited the accompanying financial report of UTS Global Pty Ltd (the Company), which comprises, the Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, 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, and the directors' declaration.

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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/councils]
- precluding the Auditor-General from providing non-audit services.

## Independent auditor's report (continued)

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

### **Other Information**

Other information comprises the information included in the Company's annual report for the year ended 31 December 2018, other than the financial report and my Independent Auditor's Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Director's Report.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **Directors' Responsibilities for the Financial Report**

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

## Independent auditor's report (continued)

My opinion does not provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis  
Director, Financial Audit Services

18 April 2019  
SYDNEY

## Auditor's independence declaration



To the Directors  
UTS Global Pty Limited

### Auditor's Independence Declaration

As auditor for the audit of the financial report of UTS Global Pty Limited for the year ended 31 December 2018, I declare, 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
- any applicable code of professional conduct in relation to the audit.

Caroline Karakatsanis  
Director, Financial Audit Services

18 April 2019  
SYDNEY

## Statement of comprehensive income

for the year ended 31 December 2018

	Notes	2018 \$	2017 \$
<b>Continuing operations</b>			
Revenue from continuing operations	2	400,603	400,742
Other expenses	3	413,441	386,931
<b>Profit before income tax</b>		<b>(12,838)</b>	<b>13,811</b>
Net result for the period for continuing operations		(12,838)	13,811
Net result for the period is attributable to the owners		(12,838)	13,811
<b>Total comprehensive income is attributable to the owners</b>		<b>(12,838)</b>	<b>13,811</b>

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

## Statement of financial position

as at 31 December 2018

	Notes	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	154,154	174,986
Receivables	5	1,459	651
<b>Total current assets</b>		<b>155,613</b>	<b>175,637</b>
<b>Non-current assets</b>			
Other financial assets	6	100,000	100,000
<b>Total non-current assets</b>		<b>100,000</b>	<b>100,000</b>
<b>Total assets</b>		<b>255,613</b>	<b>275,637</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	7	7,227	14,413
<b>Total current liabilities</b>		<b>7,227</b>	<b>14,413</b>
<b>Total liabilities</b>		<b>7,227</b>	<b>14,413</b>
<b>Net assets</b>		<b>248,386</b>	<b>261,224</b>
<b>Equity</b>			
Retained earnings	8	248,385	261,223
Share capital	9	1	1
<b>Total equity</b>		<b>248,386</b>	<b>261,224</b>

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

## Statement of changes in equity

as at 31 December 2018

	2018 \$	2017 \$
Balance as at 1 January	261,224	247,413
Profit for the period	(12,838)	13,811
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>(12,838)</b>	<b>13,811</b>
Transactions with owners recorded directly in equity	-	-
<b>Balance at 31 December</b>	<b>248,386</b>	<b>261,224</b>

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

## Statement of cash flows

as at 31 December 2018

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Contribution from UTS		400,000	400,000
GST refund		-	2,329
Interest received		603	742
Bank fees and charges		(60)	(61)
Audit certificate fee		(60)	(60)
Consulting – UTS Beijing		(400,000)	(380,000)
Other		(14,063)	-
Payment to UTS		(7,252)	(25,623)
<b>Net cash provided by/(used in) operating activities</b>	12	<b>(20,832)</b>	<b>(2,673)</b>
<b>Cash flows from investing activities</b>			
<b>Net cash used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
<b>Net cash used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20,832)</b>	<b>(2,673)</b>
Cash and cash equivalents at the beginning of the financial year		174,986	177,659
<b>Cash and cash equivalents at the end of the financial year</b>		<b>154,154</b>	<b>174,986</b>

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

## 1. Summary of significant accounting policies

UTS Global Pty Ltd is a not-for-profit company limited by shares, incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology Sydney.

The company's principal business activities are to provide marketing and profile building services to UTS.

The company's principal place of business is 15 Broadway, Ultimo NSW 2007.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2015 and the *Corporations Act 2001*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

These financial statements have been prepared on a historical cost basis and are presented in Australian dollars, rounded to the nearest dollar.

### (b) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (c) Financial instruments

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either company or its counterparties. These include cash at bank, receivables and accounts payable. Note 11 discloses the risk and management of those risks regarding financial instruments.

#### (i) Cash

Cash comprises cash on hand and bank balances. Interest has been earned at the prevailing rates.

#### (ii) Receivables

Trade receivables are recorded at amounts due at balance date, less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

#### (iii) Payables

Trade accounts payable, other payables and accruals are recognised when the economic entity becomes obliged to make future payments as a result of purchase of goods and services.

### (d) Investments and other financial assets

UTS Global Pty Ltd classifies its investments in the following categories.

#### (i) Financial assets at fair value through profit or loss

UTS Global Pty Ltd's investments in managed funds are classified as financial assets at fair value through profit or loss. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. These assets are initially recognised at cost, being the fair value of the consideration given. They are subsequently recognised at fair value and gains or losses are recognised in the income statement.

#### (ii) Available-for-sale financial assets

Investments in listed securities are classified as available-for-sale financial assets. These assets are initially recognised at cost including the acquisition charges associated with the investment, being the fair value of the consideration given. Available-for-sale financial assets are subject to review for impairment. Gains or losses on available-for-sale investments are recognised in equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

#### (iii) Other financial assets

Equity instruments that are not quoted in an active market have been classified as other financial assets and have been recognised at cost less impairment.

### (e) Revenue recognition

Revenue comprises fees received from UTS for marketing services provided. Revenue from marketing services is recognised when services are provided.

Grants from institutions are recognised when control of the grant or the right to receive the grant is obtained. Project revenue is recognised periodically during the course of the project and at its conclusion.

Revenue arising from the sale of assets is recognised on disposal.

Interest revenue is recognised as it accrues.

### (f) Taxation

#### (i) Accounting for goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or part of an item of expense, or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified within operating activities.

**Financial statements: UTS Global Pty Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

(ii) **Income tax**

UTS Global Pty Ltd is exempt from income tax under section 50-1 of the *Income Tax Assessment Act 1997*.

(g) **Judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

(h) **New accounting standards and interpretations**

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. UTS Global Pty Ltd applied AASB 9 retrospectively, with an initial application date of 1 January 2018. There has been no impact to the financial statements as at 31 December 2018.

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and four interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The standard applies to UTS Global Pty Ltd for the financial year beginning 1 January 2019. The standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management expects no material impact on the 2019 financial statements.

AASB 16 replaces AASB 117 *Leases* and will apply to UTS Global Pty Ltd for financial years beginning 1 January 2019. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset and a lease liability.

UTS Global Pty Ltd does not anticipate on entering into any lessee arrangements in the next 12 months.

(i) **Changes in accounting policy**

There have been no changes to accounting policy in the 2018 year apart from the adoption of certain mandatory standards.

(j) **Basis of consolidation**

UTS Global Pty Ltd has one subsidiary, UTS Beijing Ltd, which is consolidated at the ultimate parent level.

	Notes	2018 \$	2017 \$
<b>2. Revenue from continuing operations</b>			
Contribution from UTS		400,000	400,000
Interest earned		603	742
<b>Total revenue from continuing operations</b>		<b>400,603</b>	<b>400,742</b>
<b>3. Expenses from continuing operations</b>			
Consulting		406,751	380,300
Audit fee		6,570	6,510
Bank fees and charges		120	121
<b>Total expenses from continuing operations</b>		<b>413,441</b>	<b>386,931</b>
<b>4. Cash and cash equivalents</b>			
Cash at bank and on hand		154,154	174,986
<b>Total cash and cash equivalents</b>		<b>154,154</b>	<b>174,986</b>
<b>5. Receivables</b>			
GST receivables		1,459	651
<b>Total receivables</b>		<b>1,459</b>	<b>651</b>
<b>6. Non-current assets</b>			
Shares in UTS Beijing Ltd		100,000	100,000
<b>Total other non-financial assets</b>		<b>100,000</b>	<b>100,000</b>



Notes	2018 \$	2017 \$
<b>7. Payables</b>		
Payables to parent	–	7,252
Accrual – audit	7,227	7,161
Accrual – company secretary fee	–	–
<b>Total payables</b>	<b>7,227</b>	<b>14,413</b>
<b>8. Retained earnings</b>		
Balance at the beginning of the period	261,223	247,412
Surplus/(deficit) for the period	(12,838)	13,811
<b>Balance as at 31 December</b>	<b>248,385</b>	<b>261,223</b>
<b>9. Share capital</b>		
Ordinary shares	1	1
<b>Total share capital</b>	<b>1</b>	<b>1</b>

#### 10. Remuneration of directors

(a) Directors of the company act in an honorary capacity as directors and therefore no director's fees are payable

The name of directors who held office during the financial year are:

Mr Patrick Woods

Professor Chris Earley

Mr Iain Watt

(b) Directors' remuneration

No remuneration was paid to the directors for the 2018 financial year.

#### 11. Financial risk management

(a) Market risk

Foreign exchange risk – UTS Global does not have any exposure to market risk for changes in foreign exchange.

Interest rate risk – UTS Global's exposure to market risk for changes in interest rates is limited to cash at bank for operating activities.

(b) Credit risk

Credit risk arises from the financial assets of UTS Global Pty Ltd, which comprises cash and cash equivalents. UTS Global's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. UTS Global trades only with recognised, creditworthy third parties and as such collateral is not requested.

	2018 \$	2017 \$
Credit risk by classification of counterparty:		
Cash and cash equivalent assets		
bank	154,153	174,985
on hand	1	1
receivables	1,459	651
	<b>155,613</b>	<b>175,637</b>

**Financial statements: UTS Global Pty Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

**(c) Liquidity risk**

UTS Global Pty Ltd's objective is to maintain sufficient cash to meet creditor payments when due. UTS Global receives cash contributions from the holding company to meet ongoing liabilities.

**(d) Defaults and breaches**

There have been no defaults or breaches in relation to the payables of the company.

**12. Notes to statement of cash flows**

**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash assets include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash assets at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2018 \$	2017 \$
Cash at bank and on hand	154,154	174,986
<b>(b) Reconciliation of profit to net cash provided by operating activities</b>		
Profit/(loss) for the year	(12,838)	13,811
Decrease/(increase) in receivables	(808)	2,374
(Decrease)/increase in payables	(7,186)	(18,858)
Prepayments	-	-
<b>Net cash provided by operating activities</b>	<b>(20,832)</b>	<b>(2,673)</b>

**13. After balance date events**

There are no after balance date events that have an impact on the amounts recorded in the financial statements.

**14. Contingent liabilities and contingent assets**

There are no contingent liabilities and no contingent assets as at 31 December 2018.

	Notes	2018 \$	2017 \$
<b>15. Remuneration of auditors</b>			
Fees paid to the Audit Office of New South Wales for audit and review of financial statements		6,570	6,510

The auditors received no other remuneration.

**16. Going concern**

The normal activities of UTS Global Pty Ltd are, to a significant extent, dependent on the receipt of grants from the University of Technology Sydney.

The University of Technology Sydney has confirmed their present funding arrangements to the company. The directors consider that the financial plans of the company are feasible and achievable.

The financial statements are therefore prepared on a going concern basis.

**End of audited financial statements**

# Piivot Pty Ltd

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## Directors' report

### Pivot Pty Ltd

ABN 37 606 702 087

#### DIRECTORS' REPORT

For the year ended 31<sup>st</sup> December 2018

In accordance with section 298(2)(a) *Corporations Act 2001*, it is reported that:

1. The Directors in office during the financial year and at the date of this report are:

Mr. Patrick Woods  
Mr. Mark Leigh

2. The Directors held 0 ordinary meetings and 1 annual general meeting during the year ended 31<sup>st</sup> December 2018. Attendance at those meetings was as follows:

	Number of Meetings	Meetings Attended
Mr. Patrick Woods	1	1
Mr. Mark Leigh	1	1

3. Other directorships held by Directors are as follows:

Mr Patrick Woods

Director of UTS Global Pty Ltd, Woods International Pty Ltd, accessUTS  
Board member of the Capital Advancement Committee (Sub-committee of  
Uniting)

Mr Mark Leigh

None

4. The objectives of the Company are to:
  - a) Facilitate and support the creation of new start-ups and entrepreneurs with the ultimate objective of supporting the state economy of NSW; and
  - b) Leverage the University's national and international profile and the growing profile of the local technology start-up community to develop a strong brand for Australian technology, digital and creative industries.
5. Operations for the financial period ended 31 December 2018 resulted in a loss of \$1,956.
6. The Company was established in 2015 and issued 100 shares with UTS as the sole shareholder with \$100 shareholding.
7. The Company was largely dormant in 2018; the Company was deregistered with ASIC on 13<sup>th</sup> January 2019.
8. No Director of the Company has, during and since the end of the financial period, received or become entitled to receive any benefits.
9. Directors and officers of the Company are covered by a policy for Directors and Officers Liability Insurance, held by the University of Technology Sydney. Cover is for a maximum \$30 million in any one claim and in the aggregate.

## Directors' report (continued)

**Piivot Pty Ltd**

ABN 37 606 702 087

**DIRECTORS' REPORT**

For the year ended 31st December 2018

10. A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached.
11. In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.
12. The Company's operations comply with the environmental regulations under both Commonwealth and State legislation.
13. The Financial Statements are not prepared on a going concern basis because Piivot Pty Ltd is in process of ceasing its operations. Piivot was formally deregistered on 13th January 2019. In preparing the financial statements on an alternative basis, the directors have continued to apply the requirements of the Australian Accounting Standards taking into account that the Company is not expected to continue as a going concern in the foreseeable future. There has been no material impact on the financial statements as a result of not applying the going concern assumption.

Signed on 12/04/2019

Director  
Mr Patrick WoodsDirector  
Mr Mark Leigh

## Directors' declaration

**Piivot Pty Ltd**

ABN 37 606 702 087

**DIRECTORS' DECLARATION**

**For the year ended 31<sup>st</sup> December 2018**

In accordance with Section 295 (4) of the *Corporations Act 2001*, we, the Directors whose signatures and names appear below, do hereby state on behalf of the Board that in the opinion of the Directors:

- a) the financial statements and notes present a true and fair view of the financial position and performance of the Company as at 31 December 2018 and the results of its operations and transactions of the Company for the year then ended;
- b) the financial statements and notes have been prepared in accordance with the *Corporations Act 2001*;
- c) the financial statements and notes have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Regulations and other mandatory financial reporting requirements;
- d) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing funding support from the University of Technology Sydney; and
- e) we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed on 12/04/2019



Director  
Mr Patrick Woods



Director  
Mr Mark Leigh

# Statement in accordance with the Public Finance and Audit Act

## Piivot Pty Ltd

ABN 37 606 702 087

### STATEMENT IN ACCORDANCE WITH THE *PUBLIC FINANCE AND AUDIT ACT 1983*

For the year ended 31<sup>st</sup> December 2018

Pursuant to the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulations 2015* and in accordance with the resolution of the Board of Directors, we declare that in our opinion:

- (a) The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of the company as at 31 December 2018 and transactions for the year then ended; and
- (b) The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, as amended and public finance & audit regulations 2015, Australian Accounting Standards including Australian Accounting Interpretations, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board.

Further, we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed on 12/04/2019



Director  
Mr Patrick Woods



Director  
Mr Mark Leigh

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### Piivot Pty Ltd

To Members of the New South Wales Parliament and Members of Piivot Pty Ltd

#### Opinion

I have audited the accompanying financial report of Piivot Pty Ltd (the Company), which comprises, the Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, 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, and the directors' declaration.

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date<sup>7</sup>
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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



## Independent auditor's report (continued)

### Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis  
Director, Financial Audit Services

18 April 2019  
SYDNEY

## Auditor's independence declaration



To the Directors  
Pivot Pty Limited

### Auditor's Independence Declaration

As auditor for the audit of the financial report of Pivot Pty Limited for the year ended 31 December 2018, I declare, 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
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'C. Karakatsanis'.

Caroline Karakatsanis  
Director, Financial Audit Services

18 April 2019  
SYDNEY

## Statement of comprehensive income

for the year ended 31 December 2018

	Notes	2018 \$	2017 \$
<b>Continuing operations</b>			
<b>Revenue from continuing operations</b>			
(Loss)/profit for the period		-	-
Other income		169	347,434
	2	169	347,434
Other expenses	3	2,125	35,980
<b>(Loss)/profit before income tax</b>		<b>(1,956)</b>	<b>311,454</b>
<b>Income tax</b>		<b>-</b>	<b>-</b>
Net result for the period for continuing operations		(1,956)	311,454
Net result for the period is attributable to the owners		(1,956)	311,454
<b>Total comprehensive income is attributable to the owners</b>		<b>(1,956)</b>	<b>311,454</b>

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

## Statement of financial position

as at 31 December 2018

	Notes	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
(Loss)/profit for the period	4	263	58,220
Receivables	5	-	2,000
<b>Total current assets</b>		<b>263</b>	<b>60,220</b>
<b>Non-current assets</b>			
(Loss)/profit before income tax		-	-
<b>Total assets</b>		<b>263</b>	<b>60,220</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	6	-	58,001
<b>Total current liabilities</b>		<b>-</b>	<b>58,001</b>
<b>Non-current liabilities</b>			
Borrowings	7	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>-</b>	<b>58,001</b>
<b>Net liabilities</b>		<b>263</b>	<b>2,219</b>
<b>Equity</b>			
Retained losses	8	163	2,119
Share capital	9	100	100
<b>Total equity</b>		<b>263</b>	<b>2,219</b>

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

## Statement of changes in equity

as at 31 December 2018

	2018 \$	2017 \$
<b>Balance as at 1 January</b>	2,219	(309,235)
(Loss)/profit for the period	(1,956)	311,454
Other comprehensive income for the period	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>(1,956)</b>	<b>311,454</b>
Cash flows from investing activities	-	-
<b>Balance at 31 December</b>	<b>263</b>	<b>2,219</b>

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

## Statement of cash flows

as at 31 December 2018

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipt from customers		-	2,200
(Loss)/profit for the period		2,000	1,792
Interest received		169	571
Creditor payments		(60,000)	(50,776)
Bank fees		(125)	(125)
<b>Net cash used in operating activities</b>	11	<b>(57,956)</b>	<b>(46,338)</b>
<b>Cash flows from investing activities</b>			
<b>Net cash used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>		-	-
<b>Net cash provided by financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(57,956)</b>	<b>(46,338)</b>
Cash and cash equivalents at the beginning of the financial year		58,220	104,558
<b>Cash and cash equivalents at the end of the financial year</b>		<b>263</b>	<b>58,220</b>

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

## 1. Summary of significant accounting policies

Piivot Pty Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology Sydney.

The company was set up in 2015. Its principal business activities are to facilitate and support the creation of new startups and entrepreneurs with the ultimate objective of supporting the state economy of NSW.

The company's principal place of business is 15 Broadway, Ultimo NSW 2007.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2015 and the *Corporations Act 2001*. Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

These financial statements have been prepared on a historical cost basis and are presented in Australian dollars, rounded to the nearest dollar. The financial statements were approved by the Board of Directors on 12 April 2019.

### (b) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (c) Financial instruments

Financial instruments give rise to positions that are financial assets or liabilities (or equity instruments) of either company or its counterparties. These include cash at bank, receivables, accounts payable and loans and borrowings. Note 11 discloses the risk and management of those risks regarding financial instruments.

#### (i) Cash

Cash comprises cash on hand and bank balances. Interest has been earned at the prevailing rates.

#### (ii) Receivables

Trade receivables are recorded at amounts due at balance date, less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amounts is no longer probable. Bad debts are written off as incurred.

#### (iii) Payables

Trade accounts payable, other payables and accruals are recognised when the economic entity becomes obliged to make future payments as a result of purchase of goods and services.

#### (iv) Loans and borrowings

All loans are measured at the principal amount.

### (d) Revenue recognition

Grants from institutions are recognised when control of the grant or the right to receive the grant is obtained. Project revenue is recognised periodically during the course of the project and at its conclusion.

Revenue arising from the sale of assets is recognised on disposal.

Interest revenue is recognised as it accrues.

### (e) Taxation

#### (i) Accounting for goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or part of an item of expense, or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the taxation authority is classified within operating activities.

#### (ii) Income tax

The income tax expense on 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 and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

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.

### (f) Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

**Financial statements: Piivot Pty Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period. Piivot has not exercised the right to early adopt any new or revised accounting standard. Assessment and any potential impact of the upcoming standard are detailed below.

AASB 16 *Leases* (effective for the year ending 31 December 2019) will require all leases to be recognised on the balance sheet. Currently, AASB 117 *Leases* only requires leases categorised as finance leases to be recognised on the balance sheet, with leases categorised as operating leases not recognised.

**(g) New accounting standards and interpretations**

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. Piivot Pty Ltd applied AASB 9 retrospectively, with an initial application date of 1 January 2018. No restatement necessary as there has been no impact to the financial statements as at 31 December 2018.

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and four interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers for annual periods beginning on or after 1 January 2018. The standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

No restatement necessary as there has been no impact to the financial statements as at 31 December 2018.

AASB 16 replaces AASB 117 *Leases* and will apply to Piivot Pty Ltd for the financial year beginning 1 January 2019. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset and a lease liability.

No expected impact of AASB 16 implementation as Piivot Pty Ltd was deregistered on 13 January 2019.

**(h) Changes in accounting policy**

There have been no changes to accounting policy in the 2018 year apart from the adoption of certain mandatory standards.

**(i) Going concern**

The financial statements are not prepared on a going concern basis because Piivot Pty Ltd is in the process of ceasing its operations. Piivot was formally deregistered on 13 January 2019. In preparing the financial statements on an alternative basis, the directors have continued to apply the requirements of the Australian Accounting Standards taking into account that the company is not expected to continue as a going concern in the foreseeable future. There has been no material impact on the financial statements as a result of not applying the going concern assumption.

	Notes	2018 \$	2017 \$
<b>2. Revenue from continuing operations</b>			
Grants and contributions		-	-
<b>Other income</b>			
Ticket sales		-	-
Interest earned		169	571
Other income		-	346,862
		169	347,434
<b>Total revenue from continuing operations</b>		<b>169</b>	<b>347,434</b>
<b>3. Expenses from continuing operations</b>			
Consulting		-	20,000
Event entertainment		-	-
Audit fee		-	720
Fees and subscriptions		-	14,570
Contributions		-	-
Expensed IT equipment		-	-
Legal fees		-	-
Other		2,000	565
Bank fees and charges		125	125
<b>Total expenses from continuing operations</b>		<b>2,125</b>	<b>35,980</b>

Notes	2018 \$	2017 \$
<b>4. Cash and cash equivalents</b>		
Cash at bank	263	58,220
<b>Total cash and cash equivalents</b>	<b>263</b>	<b>58,220</b>
<b>5. Receivables</b>		
Accounts receivable	-	-
GST receivable	-	2,000
<b>Total receivables</b>	<b>-</b>	<b>2,000</b>
<b>6. Payables</b>		
Payable to parent	-	58,001
Accrued expenses	-	-
<b>Total payables</b>	<b>-</b>	<b>58,001</b>
<b>7. Retained earnings</b>		
Balance at the beginning of the period	2,119	(309,335)
Gain for the period	(1,956)	311,454
<b>Balance as at 31 December 2018</b>	<b>163</b>	<b>2,119</b>
<b>8. Share capital</b>		
100 shares issued to UTS at \$1 per share	100	100
<b>Total share capital</b>	<b>100</b>	<b>100</b>

#### 9. Remuneration of directors

(a) Directors of the company act in an honorary capacity as directors and therefore no director's fees are payable

The name of directors who held office during the financial year are:

Mr Patrick Woods

Mr Mark Leigh

(b) Directors' remuneration

No remuneration was paid to the directors for the 2018 financial year.

#### 10. Financial risk management

(a) Market risk

Foreign exchange risk — Piivot does not have any exposure to market risk for changes in foreign exchange.

Interest rate risk — Piivot's exposure to market risk for changes in interest rates is limited to cash at bank for operating activities

(b) Credit risk

Credit risk arises from the financial assets of Piivot Pty Ltd, which comprises cash and cash equivalents and receivables. Piivot Pty Ltd's exposure to credit risk arises from default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. Piivot Pty Ltd trades only with recognised, creditworthy third parties and as such collateral is not requested.

**Financial statements: Pivot Pty Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

	2018 \$	2017 \$
Credit risk by classification of counterparty:		
Cash and cash equivalent assets		
bank	263	58,220
receivables	-	2,000
	<b>263</b>	<b>60,220</b>

**(c) Liquidity risk**

Pivot Pty Ltd's objective is to maintain sufficient cash to meet creditor payments when due. Pivot receives cash contributions from the holding company to meet ongoing liabilities.

**(d) Defaults and breaches**

There have been no defaults or breaches in relation to the payables of the company.

**11. Notes to statement of cash flows**

**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, cash assets include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash assets at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2018 \$	2017 \$
Cash at bank and on hand	263	58,220

**(b) Reconciliation of profit to net cash provided by:**

	2018 \$	2017 \$
Loss for the year	(1,956)	311,454
(Increase)/decrease in receivables	2,000	1,919
Increase/(decrease) in payables	(58,000)	(59,711)
Increase/(decrease) in borrowings	-	(300,000)
<b>Net cash provided by operating activities</b>	<b>(57,956)</b>	<b>(46,338)</b>

**12. After balance date events**

Pivot Pty Ltd ceased operations effective 13 January 2019.

**13. Contingent liabilities and contingent assets**

There are no contingent liabilities and no contingent assets as at 31 December 2018.

**14. Remuneration of auditors**

	2018 \$	2017 \$
Fees paid to Audit Office of New South Wales for the audit and review of financial statements. 2018 audit fees were paid by the parent (UTS).	9,000	9,956

The auditors received no other remuneration.



## 15. Related parties

### (a) Parent entity

The ultimate parent entity is the University of Technology Sydney.

### (b) Transaction with related parties

Piivot Pty Ltd settled amount owing of \$60,000 to the parent University of Technology Sydney in May 2018.

## 16. Going concern

The financial statements are not prepared on a going concern basis because Piivot Pty Ltd is in the process of ceasing its operations. In preparing the financial statements on an alternative basis, the directors have continued to apply the requirements of the Australian Accounting Standards taking into account that the company is not expected to continue as a going concern in the foreseeable future. There has been no material impact on the financial statements as a result of not applying the going concern assumption.

**End of audited financial statements**



# accessUTS Pty Limited

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# Directors' report

for the year ended 31 December 2018

ABN 55 098 424 312

Your directors submit their report for the year ended 31 December 2018.

## Directors

The names of the directors of the company from the beginning of the financial year until the date of this report were:

Dianne Norma Hill (resigned 31/11/18)

Dr Paul Jonson (resigned 30/11/18)

John Daly (resigned 01/07/18)

Patrick Thomas Woods

Nicholas William Glover (appointed 30/11/18)

Taia Rowe (appointed 30/11/18)

Roula Christodoulides (appointed 30/11/18)

All directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

## Principal activities

The principal activity of the company during the financial year was developing and managing the consulting activities of the University of Technology Sydney.

There has been no significant change in the nature of this activity during the year.

## Operating result

The loss after income tax for the year ended 31 December 2018 was \$275,539 (2017 profit of \$12,471).

## Review of operations

The operations of the company and the results of those operations were satisfactory.

## Dividends

The company did not pay a dividend during the year and the directors have recommended that no dividend be paid in respect of the 2018 year.

## Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the year.

## Significant events after the balance date

There have been no significant events after the balance date that would materially affect the results presented at year end.

## Environmental regulation

The company's operations are not subject to any significant environmental regulations under either Commonwealth or state legislation. However, the board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

## Likely developments

It is not foreseen that the company will undertake any change in its general direction during the coming financial year. The company will continue to pursue its financial trading activities as detailed earlier in the report to produce the most beneficial result for the members.

## Indemnification and insurance of officers and auditors

### Indemnification

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been an officer or auditor of the company.

### Insurance premiums

During the year, no premiums were paid to insure the directors against liability by accessUTS Pty Limited. Although, its parent entity, the University of Technology Sydney, paid the directors' insurance premium on behalf of the company, which sufficiently insures the directors of accessUTS Pty Limited.

## Auditor's Independence Declaration

The Auditor's Independence Declaration for the year to 31 December 2018 has been received and can be found on page 94.

Signed in accordance with a resolution of the directors:



Patrick Thomas Woods  
Sydney 18 April 2019



Roula Christodoulides

## Directors' declaration

for the year ended 31 December 2018

ABN 55 098 424 312

In accordance with a resolution of the directors of accessUTS Pty Limited, we state that:

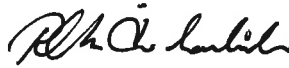
1. In the opinion of the directors:
  - (a) the financial statements present a true and fair view of the company's financial position as at 31 December 2018 and of the company's performance for the year ended on that date, and
  - (b) the financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2015, and
  - (c) the financial statements comply with Australian Accounting Standards and other mandatory professional reporting requirements, including Australian Accounting Interpretations, and
  - (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
2. We are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Board:



Patrick Thomas Woods

Sydney 18 April 2019



Roula Christodoulides

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

accessUTS Pty Limited

To Members of the New South Wales Parliament and Members of accessUTS Pty Limited

### Opinion

I have audited the accompanying financial report of accessUTS Pty Limited (the Company), which comprises, the Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, 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, and the directors' declaration.

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## Independent auditor's report (continued)

### Other Information

Other information comprises the information included in the Company's annual report for the year ended 31 December 2018, other than the financial report and my Independent Auditor's Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Director's Report.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

## Independent auditor's report (continued)

My opinion does not provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis  
Director, Financial Audit Services

18 April 2019  
SYDNEY

## Auditor's independence declaration



To the Directors  
accessUTS Pty Limited

### Auditor's Independence Declaration

As auditor for the audit of the financial report of accessUTS Pty Limited for the year ended 31 December 2018, I declare, 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
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C. Karakatsanis".

Caroline Karakatsanis  
Director, Financial Audit Services

5 April 2019  
SYDNEY



# Statement of comprehensive income

for the year ended 31 December 2018

	Note	2018 \$	2017 \$
<b>Revenue from continuing operations</b>			
Revenue from services	4(a)	2,994,669	4,906,656
Investment revenue	4(b)	12,449	21,930
<b>Total revenue</b>		<b>3,007,118</b>	<b>4,928,586</b>
<b>Expenses from continuing operations</b>			
Employee related expenses	3(a)	504,445	491,683
Other operating expenses	3(b)	2,778,416	4,412,569
<b>Total expenses</b>		<b>3,282,861</b>	<b>4,904,252</b>
Operating result before income tax		(275,743)	24,334
Income tax expense	5	-	(6,134)
<b>Operating result from continuing operations</b>		<b>(275,743)</b>	<b>18,200</b>
<b>Other comprehensive income</b>			
Gain/(loss) on foreign exchange	4(c)	204	(5,729)
<b>Total comprehensive income</b>		<b>(275,539)</b>	<b>12,471</b>
Total comprehensive income for the year is attributable to:			
owners of the parent		(275,539)	12,471

The accompanying notes form part of these financial statements.

## Statement of financial position

as at 31 December 2018

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,454,684	1,977,180
Receivables	7	232,357	300,863
Prepayments	8	36,196	25,941
Income tax refundable	9	7,720	8,928
<b>Total current assets</b>		<b>1,730,957</b>	<b>2,312,912</b>
<b>Total assets</b>		<b>1,730,957</b>	<b>2,312,912</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	10	1,207,265	1,450,926
Provisions	11	-	-
Other	12	201,288	264,043
Income tax payable		-	-
<b>Total current liabilities</b>		<b>1,408,553</b>	<b>1,714,969</b>
<b>Total liabilities</b>		<b>1,408,553</b>	<b>1,714,969</b>
<b>Net assets</b>		<b>322,404</b>	<b>597,943</b>
<b>Equity</b>			
Contributed equity	13	450,001	450,001
Accumulated profits	14	(127,597)	147,942
<b>Total equity</b>		<b>322,404</b>	<b>597,943</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

for the year ended 31 December 2018

	Share capital \$	Accumulated profits \$	Total \$
Balance at 1 January 2017	450,001	135,471	585,472
Net result for the year	-	12,471	12,471
<b>Total comprehensive income</b>	-	12,471	12,471
<b>Balance at 31 December 2017</b>	<b>450,001</b>	<b>147,942</b>	<b>597,943</b>
Balance at 1 January 2018	450,001	147,942	597,943
Net result for the year	-	(275,539)	(275,539)
<b>Total comprehensive income</b>	-	(275,539)	(275,539)
<b>Balance at 31 December 2018</b>	<b>450,001</b>	<b>(127,597)</b>	<b>322,404</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows

for the year ended 31 December 2018

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Employee related		(508,876)	438,259
Other		(3,321,301)	5,772,298
<b>Total payments</b>		<b>(3,830,177)</b>	<b>6,210,557</b>
<b>Receipts</b>			
Sale of goods and services		3,295,232	5,730,703
Interest received		12,449	21,930
<b>Total receipts</b>		<b>3,307,681</b>	<b>5,752,633</b>
<b>Net cash inflows (outflows) from operating activities</b>	15	<b>(522,496)</b>	<b>(457,924)</b>
<b>Net increase (decrease) in cash</b>		<b>(522,496)</b>	<b>(457,924)</b>
Opening cash and cash equivalents		1,977,180	2,435,104
<b>Closing cash and cash equivalents</b>	6	<b>1,454,684</b>	<b>1,977,180</b>

The accompanying notes form part of these financial statements.

## Financial statements: accessUTS Pty Limited

### Notes to the financial statements for the year ended 31 December 2018

#### 1. Reporting entity

accessUTS Pty Limited is a for profit company limited by shares and is incorporated and domiciled in Australia and is a wholly owned subsidiary of the University of Technology Sydney. The registered office of accessUTS Pty Limited is University of Technology Sydney, 15 Broadway, Ultimo NSW 2007.

These financial statements for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 18 April 2019.

#### 2. Summary of significant accounting policies

##### (a) Basis of preparation

These general purpose financial statements have been prepared on an accruals basis, in accordance with applicable accounting standards and other mandatory professional reporting requirements (including Australian Accounting Interpretations), the requirements of the *Corporations Act 2001*, the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2015.

These financial statements have been prepared on an historical cost basis and are presented in Australian dollars. The accounting policies set out below have been consistently applied to all years presented unless otherwise stated.

##### (b) Statement of compliance

These financial statements comply with Australian Accounting Standards, including Australian Accounting Interpretations.

##### (c) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained from both external and internal sources.

##### (d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except:

- the net amount of GST recoverable from or payable to the taxation authority is included within payables or receivables in the balance sheet
- where the amount of GST is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

##### (e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

###### Fee revenue

Service fee revenue represents revenue from services provided by the entity and is recognised when the services are provided.

###### Training course revenue

Training course revenue represents revenue from courses delivered in the period and is recognised when the courses are scheduled to run.

###### Investment income

Interest income is recognised as it accrues.

###### Asset sales

The net proceeds from the sale of assets is included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale occurs.

###### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

The entity recognised all their revenue at a point in time.

##### (f) Income tax

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

##### (g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of presentation in the statement of cash flows, cash and cash equivalents includes deposits at call that are readily convertible to cash on hand and that are used in the cash management function on a day-to-day basis, net of any outstanding bank overdrafts.

**(h) Trade and other receivables**

Trade receivables, which generally have 30-day terms, are recognised at fair value less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the entity will not be able to collect the debt.

**(i) Investments**

Investments are valued either at cost less amounts written off for permanent diminution in the value of the investments, or at directors' valuation. Dividends and interest are brought to account when received.

**(j) Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

**(k) Other liabilities — income received in advance**

Amounts received from clients are recognised as income in advance to the extent that they relate to work to be conducted or services to be performed in the future.

**(l) Employee benefits and other provisions**

**Salaries and wages, annual leave, sick leave and on costs**

Liabilities for salaries and wages (including non-monetary benefits), annual leave, long service leave and paid sick 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.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

**(m) Loans and borrowings**

All loans are measured at the principal amount.

**(n) Translation of foreign currency transactions**

On initial recognition in Australian currency, transactions in foreign currencies are recorded by applying the rate of exchange as at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially translated during the period, or in the previous financial statements, are recognised in profit or loss in the period in which they arise.

At each balance date, foreign currency monetary items are reported using the closing rate on the balance date.

**(o) New and amended standards adopted by the company**

(i) The company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2018:

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*

The company also elected to adopt the following amendments early:

- AASB 2018-1 *Amendments to Australian Accounting Standards — Annual Improvements 2015-2017 Cycle*

The company had to change its accounting policies following the adoption of AASB 9 and AASB 15. However, the amendments did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

(ii) Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards is set out below.

Title of standard	AASB 16 Leases
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position by lessors, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	The company has set up a project team which has reviewed all of the company's leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the company's operating leases. As at the reporting date, the company has no non-cancellable lease commitments.
Mandatory application date/ Date of adoption by company	The company will apply the standard from its mandatory adoption date of 1 January 2019.

**Financial statements: accessUTS Pty Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

**(p) Changes in accounting policies**

As explained above in note 2(o), the company has adopted a number of new or revised accounting standards this year that have resulted in accounting policies and adjustments to the amounts recognised in the financial statements.

**AASB 9 Financial Instruments**

AASB 9 replaces the provisions of AASB 139 that related to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The company has applied AASB 9 retrospectively, as this resulted in no material differences comparative information has not been restated.

From 1 January 2018, the company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. As of 31 December 2018 and 2017, the company only has financial assets to be measured as amortised cost.



It was deemed unnecessary to restate 2017 comparatives as the amount is not material.

**AASB 15 Revenue from Contracts with Customers**

The company has adopted AASB 15 *Revenue from Contracts with Customers* from 1 January 2018 that did not result in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As a result there is no need to restate comparatives to 2017.

	2018 \$	2017 \$
<b>3. Expenses excluding losses</b>		
<b>(a) Employee-related expenses</b>		
Directors fees	3,250	5,125
Contractors	501,195	486,558
	<b>504,445</b>	<b>491,683</b>
<b>(b) Other operating expenses</b>		
Auditor's remuneration		
audit of the financial statements	20,400	25,052
Consulting fees	1,333,682	1,792,832
Service level agreement — Commercial Services Unit	845,268	892,785
General and administrative expenses	579,066	1,701,900
	<b>2,778,416</b>	<b>4,412,569</b>
<b>4. Revenue</b>		
<b>(a) Revenue from services</b>		
Consulting fees	786,619	1,271,992
Training courses	2,208,050	3,634,664
	<b>2,994,669</b>	<b>4,906,656</b>
<b>(b) Investment revenue</b>		
Interest received or receivable	12,449	21,930
	<b>12,449</b>	<b>21,930</b>
<b>(c) Gain/(loss) on foreign exchange</b>		
Foreign exchange gains/(losses)	204	(5,729)
	<b>204</b>	<b>(5,729)</b>

	2018 \$	2017 \$
<b>5. Income tax expense</b>		
The income tax expense provided in the accounts is calculated as follows:		
tax on operating profit/(loss) at 30%	-	5,582
<b>Add/(less)</b>		
current year temporary difference not brought to account previously	-	552
tax losses not previously tax effected – recouped this year	-	-
<b>Income tax expense</b>	<b>-</b>	<b>6,134</b>
Deferred tax assets/(liabilities) have been recognised in the statement of financial position in respect of:		
carry forward loss	-	-
deductible temporary differences	-	(124)
	-	(124)
<b>6. Cash and cash equivalents</b>		
Cash at bank	1,022,026	1,550,557
Cash on deposit	432,658	426,623
	<b>1,454,684</b>	<b>1,977,180</b>
<b>7. Receivables</b>		
<b>Current</b>		
Trade and other receivables	173,593	240,224
Allowance for doubtful accounts	-	(8,874)
GST refundable	58,764	69,513
	<b>232,357</b>	<b>300,863</b>
<b>8. Prepayments</b>		
<b>Current</b>		
Prepayments	36,196	25,941
	<b>36,196</b>	<b>25,941</b>
<b>9. Income tax refundable</b>		
Income tax refundable	7,720	8,928
	<b>7,720</b>	<b>8,928</b>



**Financial statements: accessUTS Pty Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2018**

	2018 \$	2017 \$
<b>10. Payables</b>		
<b>Current</b>		
Trade creditors	31,034	40,955
Accrued expenses	147,336	150,848
Amounts payable to parent entity	965,353	1,177,387
Loan from parent entity (unsecured)	35,000	35,000
Other payables	28,542	46,736
	<b>1,207,265</b>	<b>1,450,926</b>
<b>Loan from parent entity</b>		
The loan from the parent entity is unsecured, interest-free and repayable on demand.		
<b>11. Provisions</b>		
<b>Current</b>		
Provision for annual leave	-	-
	-	-
<b>12. Other current liabilities</b>		
<b>Current</b>		
Income received in advance	201,288	264,043
	<b>201,288</b>	<b>264,043</b>
<b>13. Contributed equity</b>		
<b>Issued and paid up capital</b>		
Ordinary shares fully paid	450,001	450,001
<b>Movements in shares on issue</b>		
Issued capital at the beginning of the year	450,001	450,001
Capital issued during the year	-	-
<b>Issued capital at the end of the year</b>	<b>450,001</b>	<b>450,001</b>
<b>14. Accumulated profits</b>		
Accumulated profits/(losses) at the beginning of the year	147,942	135,471
Net profit attributable to the member	(275,539)	12,471
<b>Accumulated profits at the end of the year</b>	<b>(127,597)</b>	<b>147,942</b>



	2018 \$	2017 \$
<b>15. Reconciliation of operating profit for the year with cash flows from operating activities</b>		
Operating profit after income tax	(275,539)	12,471
<b>Non-cash items</b>		
Annual leave	-	-
Provision for doubtful debts	(8,874)	(1,770)
<b>Changes in operating assets and liabilities</b>		
Decrease/(increase) in receivables and prepayments	68,334	186,492
Increase/(decrease) in payables and provisions	(243,661)	(25,919)
Increase/(decrease) in income in advance	(62,756)	(629,199)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(522,496)</b>	<b>(457,925)</b>
<b>16. Auditors' remuneration</b>		
Amounts received or due and receivable by the auditors of accessUTS Pty Limited for:		
an audit of the financial statements	20,090	20,592
	<b>20,090</b>	<b>20,592</b>

## 17. Key management personnel disclosures

### (a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of accessUTS Pty Limited during the year:

Mr Nick Glover	Dr Paul Jonson
Ms Taia Rowe	Mr Patrick Woods
Ms Roula Christodoulides	Ms Dianne Hill
Mr John Daly	

### (b) Remuneration of board members and executives

	2018 \$	2017 \$
<b>Remuneration of board members</b>		
\$0-\$9,999	3,250	5,125

## 18. Contingent assets and contingent liabilities

The directors are not aware of any contingent assets or contingent liabilities that have not been disclosed in the financial statements.

## 19. Significant events after the balance date

There have been no significant events after the balance date that would materially affect the results presented at the end of the year.

## 20. Economic dependency

The company's economic viability is dependent upon the continued financial support of its parent entity.

## 21. Related party transactions

### (a) Directors

The names of the directors of the company during the financial year are set out on page 89 of these financial statements. The board includes non-independent directors who are employed by the University of Technology Sydney.

There have been no transactions with directors or director-related entities during the financial year, other than remuneration as detailed at note 17.

## Financial statements: accessUTS Pty Limited

### Notes to the financial statements for the year ended 31 December 2018

#### (b) Parent entity

The parent entity is the University of Technology Sydney (UTS), an entity incorporated in New South Wales.

##### Transactions with the parent entity

The following transactions occurred during the year between the company and UTS.

##### Services provided by UTS

UTS provided services to the company in accordance with the service level agreement between the two entities. Services included the provision of personnel and premises and the payment of various operating expenses.

##### Faculty costs charged by UTS

The services of various UTS personnel were utilised by the company during the year. In return, the company paid fees to various UTS faculties.

##### Training and development services provided to UTS

The company is a registered training organisation (RTO) and provided training and development services to UTS. In return, the company charged certification fees to UTS.

	2018 \$	2017 \$
<b>Amounts included in revenue during the financial year</b>		
Certification fees charged to the parent entity	-	-
<b>Amounts included in assets and liabilities at the end of the financial year</b>		
Amounts receivable from parent entity – current	58,924	56,145
Amounts payable to parent entity – current	41,323	93,530
Other payable to parent entity	982,905	1,140,002
Loans from parent entity (unsecured)	35,000	35,000

There are no fixed terms for the repayment of the loan, which is unsecured. No interest has been charged by the parent entity.

#### (c) Wholly owned group

The wholly owned group consists of the University of Technology Sydney and its controlled entities, accessUTS Pty Limited, UTS Global Pty Ltd, Pivot Pty Ltd, Insearch Educational International Pty Limited, Insearch Education Limited, Insearch Limited and Insearch (Shanghai) Limited.

	2018 \$	2017 \$
<b>22. Financial risk and management objectives and policies</b>		
<b>(a) Instruments reported by categories of financial assets and liabilities</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1,454,684	1,977,180
Trade and other receivables	173,593	231,349
	<b>1,628,277</b>	<b>2,208,529</b>
<b>Financial liabilities</b>		
Trade and other payables	31,034	40,955
	<b>31,034</b>	<b>40,955</b>

#### (b) Risk exposures and responses

The company's financial instruments consist of cash, short-term deposits, accounts receivable and payable, and loans from the parent entity.

The company's main risks from its financial instruments are interest rate risk and credit risk. The company does not have any derivative instruments at the end of the financial year.

#### (c) Net fair values

The net fair values of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(d) Credit risk

The company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

Receivables balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is limited.

The company does not have any material credit risk exposure to any single receivable or company of receivables under financial instruments entered into by the company. The company minimises concentrations of credit risks in relation to trade accounts receivable by undertaking transactions with many customers.

(e) Hedging transactions

The company did not enter into any hedging transactions during the year.

(f) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- maintaining a reputable credit profile
- managing credit risk related to financial assets, and
- only investing surplus cash with major financial institutions.

(g) Interest risk

At balance date the company had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	2018		2017	
	Carrying amount \$	Net fair value \$	Carrying amount \$	Net fair value \$
<b>Financial assets</b>				
Cash and cash equivalents	1,454,684	1,454,684	1,977,180	1,977,180
	<b>1,454,684</b>	<b>1,454,684</b>	<b>1,977,180</b>	<b>1,977,180</b>

The company's exposure to market risk for changes in interest rates relates primarily to its holding of cash. The company seeks to maximise the interest earned on cash and deposits balanced against the length of investment and impact on liquidity. The company's policy is to manage its interest rate exposure with a mixture of fixed and floating rate deposits.

The following sensitivity analysis is based on the interest rate risk exposures in existence as at the balance date.

At year end, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit would have been affected as follows:

	Equity higher/(lower)		Post-tax profit higher/(lower)	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Judgements of reasonably possible movements</b>				
+0.5% (50 basis points)	6,310	5,528	6,310	5,528
-0.5% (50 basis points)	(3,281)	(2,543)	(3,281)	(2,543)

**End of audited financial statements**



# Insearch Limited

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## Directors' report

This report of the directors of Insearch Limited is made in accordance with a resolution of the directors in accordance with section 298(2)(a) of the *Corporations Act 2001* (Cth).

### Directors

The names of directors in office during the year and at the date of this report (refer to note 20) are:

	Date of appointment	Date of resignation
Emeritus Vice-Chancellor RD Milbourne, AO	1 March 2016	
Ms JN Anderson	28 November 2017	
Mr P Bennett	25 May 2011	
Mr JP Chalmers	13 January 2018	16 July 2018
Ms AM Dwyer	2 March 2015	
Mr GA Freeland	28 March 2017	
Mr A Murphy	3 September 2007	
Professor M Spongberg	1 July 2014	30 June 2018
Mr I Watt	17 July 2018	
Professor PC Earley	1 July 2018	
Professor WR Purcell	21 May 2009	12 January 2018

### Company secretary

The name of the Company Secretary in office at the date of this report is:

Mr NL Patrick (appointed 21 October 2010)

### Principal activities

The activities of the company during the financial year ended 31 December 2018 were the provision of English language, foundation and academic courses that are designed as pathways to university studies.

### Review and results of operations

In addition to the Chair's letter, Insearch Limited also reported a surplus of \$10.9 million, before the payment of a donation to the University of Technology Sydney of \$17.2 million.

### Business strategies and future developments

The main objectives of the company are to provide pathway courses for undergraduate entry to the University of Technology Sydney and to pay donations to the university when appropriate. Scholarship programs and partnerships with other organisations to provide educational facilities/courses are also objectives of the company. The strategies of the company are focused on achieving these objectives.

Business strategies, prospects and future developments, which may affect the operations of the company in subsequent years, have been reported as appropriate elsewhere in this report. In the opinion of the directors, disclosure of any further information on future developments would be unreasonably prejudicial to the interests of the company.

### Director's benefits

No director of the company has, during and since the end of the financial year, received, or become entitled to receive, a benefit other than the benefit included in the aggregate amount of director's compensation shown in note 20 of the financial report.

### 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 Technology Sydney to the amount of \$9558 (2017: \$6718) per sections 300(1)(g), 300(8) and 300(9) of the *Corporations Act 2001* (Cth).

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.

### Information on directors

**Emeritus Vice-Chancellor Ross Milbourne, AO, BCom, MCom (UNSW), PhD (Calif), FASSA, FAICD**

*Non-Executive Director, Chair of the Board*

Emeritus Vice-Chancellor Milbourne became Chair of the Insearch Limited Board on 1 March 2016.

He was appointed Vice-Chancellor of the University of Technology Sydney (UTS) in 2002. During 12 years in the role, he led a major development of the university's physical campus and infrastructure, and the advancement of its national and international profile and reputation.

This followed a number of leadership roles in Australian universities since 1997: Deputy Vice-Chancellor (Research), University of Adelaide (1997–2000); Pro Vice-Chancellor (Research), University of New South Wales (2000–2001); Deputy Vice-Chancellor (Academic), University of Technology Sydney (2001–2002).

## Directors' report (continued)

Other previous notable appointments include Reserve Bank of Australia Senior Fellow in Economic Policy, Visiting Professor to the London School of Economics, board member of Universities Australia, member and chair of the Australian Research Council (ARC) Social Sciences Panel and Research Grants Committee, and fellow of the Academy of Social Sciences in Australia (FASSA).

Emeritus Vice-Chancellor Milbourne, AO is internationally recognised as an economist and researcher. He has been appointed by the Australian Government to major policy-oriented committees and reviews. He received the Centenary Medal in 2001 for service to Australian society through economics and university administration. In 2015, he was made an Officer of the Order of Australia (AO) for his distinguished service to higher education.

Emeritus Vice-Chancellor Milbourne, AO holds a Master of Commerce from the University of New South Wales. He completed his PhD at the University of California, Berkeley, under the supervision of Nobel laureate George Akerlof. He is a fellow of the Australian Institute of Company Directors.

### **Ms Nell Anderson, BSc (Hons), GradDipAdmin, GAICD**

*Non-Executive Director, Chair of the Remuneration and Nominations Committee — from January 2018*

Ms Anderson has more than 30 years of executive experience in strategy, marketing, sales and business development in the pharmaceuticals and tourism sectors. She spent a significant part of that time working in the Asia-Pacific region.

Ms Anderson is currently Chair of Ascham School and a non-executive director with Campbell Page and MedicAlert Foundation.

Ms Anderson holds an honours (class I) degree in science from the University of Sydney, a Graduate Diploma in Administration from UTS and is a Graduate Member of the Australian Institute of Company Directors.

### **Mr Peter Bennett, BEc, DipEd (Monash), MBA (Melb), FCPA, GAICD, SA Fin**

*Non-Executive Director, Member of the Audit and Risk Committee, Member of the Remuneration and Nominations Committee*

Mr Bennett has 30 years experience in accounting and finance including holding senior executive positions in the finance industry and the consumer goods industry in the Asia-Pacific region.

He is also a member of the UTS Council and a board member of Campbell Page.

Mr Bennett completed a Bachelor of Economics and a Diploma of Education at Monash University, and a Master of Business Administration at the University of Melbourne. He is a fellow of CPA Australia, a graduate member of the Australian Institute of Company Directors and senior associate of FINSIA.

### **Mr John Chalmers, BA**

*Non-Executive Director — from January 2018 to July 2018*

Mr Chalmers has been the Director, Marketing and Communications at UTS since September 2016.

He has 20 years of international media, marketing, communications and content experience and is responsible for the strategic direction of the marketing and communications functions at UTS, driving innovative strategy, concepts and content across all platforms and developing the university brand.

Before working for UTS, Mr Chalmers led marketing and communications at media intelligence company, Isentia, which spans 18 offices around the Asia-Pacific specialising in media monitoring and analysis, and comprises the globally awarded King Content, Brandtology and Two Social businesses. He was previously a magazine editor and journalist for *Men's Health* magazine and at the *New York Post*.

Mr Chalmers attended the University of Adelaide where he completed a Bachelor of Arts in history and politics.

### **Ms Anne Dwyer, BBus (CSU), MAICD**

*Non-Executive Director, Member of the Audit and Risk Committee, Member of the Remuneration and Nominations Committee*

Ms Dwyer has been the Deputy Vice-Chancellor and Vice-President (Corporate Services) at UTS since 2004. She joined UTS in 1999 as director of the Information Technology Division. Her current responsibilities include human resources, information technology, student administration, marketing and communication, governance support and legal services.

Ms Dwyer held several financial and administrative management roles at Ansett Air Freight before moving into information technology. Prior to joining UTS, she was the director of IT for Arthur Andersen's Australian and New Zealand operations.

Ms Dwyer completed a Bachelor of Business at Charles Sturt University and is a member of the Australian Institute of Company Directors.

### **Mr Guy Freeland, BCom, CA, GAICD**

*Non-Executive Director, Chair of the Audit and Risk Committee*

Mr Freeland has held senior executive positions in the construction, information technology, industrial products and non-profit sectors for more than two decades. Working predominantly for large global companies, including a period under private equity ownership, he has extensive experience in finance and business systems, financial control and risk management, and development of strategic and business operational plans. Prior to this, Mr Freeland spent 10 years with PwC in its audit and corporate services groups.

Mr Freeland is an advisory board member for a privately-owned services company, a non-executive director of Leep NGO and a Finance, Audit and Risk Committee member for Habitat for Humanity.

Mr Freeland holds a Bachelor of Commerce from the University of New South Wales, has been a Chartered Accountant for more than 35 years and is a graduate member of the Australian Institute of Company Directors.

### **Mr Alex Murphy, BA (Hons), MAICD**

*Managing Director*

Mr Murphy has been with UTS Insearch for close to 30 years, having worked in education and marketing roles. From late 2007 he has been Managing Director.

## Directors' report (continued)

His background is in linguistics, philosophy and Indonesian and Malayan studies. He has a keen interest in people, intercultural communication, ethics and the role of education in expanding opportunities for individuals and society in general.

During his time with Insearch, he has focused on working with staff to expand and diversify the student population, extend delivery of Insearch courses transnationally through partnerships, and invest in improving learning and the student experience, which has led to better outcomes for Insearch students and higher percentages of students articulating from Insearch to UTS.

Sponsorships and scholarship initiatives have also grown. They include humanitarian scholarships, the UTS Indigenous Strategy and the Insearch South East Aboriginal Arts Initiative.

He looks forward to the next phase of development for Insearch, which includes investing in people development, improving the quality and innovation of learning and teaching, transitioning to a new main campus in 2021 and working more closely and innovatively with UTS. The Insearch Diversity and Inclusion program will be further developed and include greater commitment to our engagement with First Australians, which will be underpinned by a Reconciliation Action Plan (RAP).

Mr Murphy is a Director of Insearch Education International Pty Limited and Insearch (Shanghai) Limited.

He has been a member of The Ethics Centre since 1997 and is a Member of the Australian Institute of Company Directors.

### **Professor Mary Spongberg, BA (Hons), PhD, GAICD**

*Non-Executive Director — to June 2018*

Professor Spongberg was Dean of the Faculty of Arts and Social Sciences at UTS until January 2019.

She was previously a professor of modern history and associate dean of research in the Faculty of Arts at Macquarie University. Prior to joining Macquarie, Professor Spongberg was a National Health and Medical Research Centre postdoctoral fellow in Women's Studies at the University of Sydney.

Professor Spongberg has taught Australian history, European history and women's studies at Macquarie University and the University of Sydney.

Professor Spongberg completed her PhD at the University of Sydney. She is a graduate member of the Australian Institute of Company Directors and a board member of the Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH).

### **Professor William (Bill) Purcell, BCom (Hons), Dip Jap St, PhD**

*Chair of the Remuneration and Nominations Committee — to January 2018, Non-Executive Director — to January 2018*

Professor Purcell was Deputy Vice-Chancellor and Vice-President (International and Advancement) at UTS. He was previously Deputy Vice-Chancellor (International) at the University of Newcastle.

Professor Purcell is a Director of Sydney Educational Broadcasting Ltd, UTS Global Ltd, UTS Beijing Ltd and a Trustee of the Mitsui Education Foundation. He is a board member of the Art Gallery of New South Wales VisAsia Board and Study Overseas Foundation.

Professor Purcell's other corporate board positions have included Chair and chief executive officer of UON Singapore Pte Ltd, IDP Education Australia Ltd and AHIEA Ltd. Professor Purcell has also served as a consultant and advisor to business and government across Australia and Asia in the area of business internationalisation and joint venturing. Professor Purcell's academic specialisation includes Asian business and management systems, international joint venturing and subsidiary location decision-making and startup.

### **Mr Iain Watt, BSc (ANU)**

*Non-Executive Director — from July 2018*

Mr Watt joined UTS in June 2018 as Deputy Vice-Chancellor and Vice-President (International) and is responsible for envisioning and driving the implementation of UTS's next stage of internationalisation.

Mr Watt is a Director of Insearch (Shanghai) Limited.

Prior to joining UTS, he was Pro Vice-Chancellor, International at the University of Western Australia (UWA), a role he held for five years. Preceding his tenure at UWA, he was director of international operations and student recruitment at the Australian National University (ANU). Mr Watt has extensive international experience and a record of significant and successful leadership in international education. In five years at the ANU he led international and domestic student recruitment and admissions and was responsible for international strategic alliances and partnerships.

Mr Watt also spent eight years with the Australian Embassy in Beijing. While at the embassy he held positions of counsellor (education) for four years and later, minister-counsellor (education). In both positions he was the Australian Government's senior education representative in China. Mr Watt also lived and worked for six years in Taipei and is fluent in Mandarin.

Mr Watt holds a Bachelor of Science degree (in mathematics and statistics) from the ANU and also undertook his postgraduate studies in Chinese language, economy and culture at the ANU.

### **Professor Chris Earley, Doctor of Philosophy (Psychology)**

*Non-Executive Director — from July 2018*

Professor Chris Earley has more than 25 years of teaching and research experience at top business schools around the globe and over 12 years of administrative experience as a dean across three continents. He has been Dean of the UTS Business School since November 2017 after serving as the Dean of the Tasmanian School of Business and Economics.

Previously, he was the James Brooke Henderson Chair of Management at Krannert School of Management at Purdue University. Before arriving at Purdue, he was Dean and Auran J. Fox Chair in Business at the University of Connecticut as well as the Dean and Cycle and Carriage Chair at the Business School at the National University of Singapore.

Professor Earley has held chairs at London Business School and the Kelley School of Business at Indiana University. He also held professorships at Sasin Institute of Business Administration in Thailand, Hong Kong University of Science and Technology, the University of Minnesota and the Graduate School of the University of California, Irvine, among others.

## Directors' report (continued)

## Information on Company Secretary

Mr Nathan Patrick, BBus, GradDipACG, FCA, FGIA, FCIS, FAICD

Chief Financial Officer and Company Secretary

Mr Patrick was appointed Chief Financial Officer (CFO) and Company Secretary of Insearch Limited in 2010.

As CFO/Company Secretary he is responsible for UTS Insearch's finance and governance activities. The governance portfolio includes the Program Management Office, campus planning, risk management, compliance (including liaising with regulators), offshore legal entities, legal and Company Secretariat.

During the previous 30 years, he held senior financial, management and governance positions in the professional services, manufacturing and construction industries in Australia and Asia.

His career includes 15 years in diverse roles in 'Big 4' accounting firms and five years as the Chief Operating Officer of a law firm.

He is on the management committee of the NSW Federation of Community Language Schools. He is also a member of the Audit and Risk Committee of the Australian Orthopaedic Association, and of the Corporate and Legal Issues Committee of the Governance Institute of Australia.

Mr Patrick is a fellow of the following organisations: Chartered Accountants Australia and New Zealand, the Governance Institute of Australia, the Australian Institute of Company Directors and the UK Institute of Chartered Secretaries and Administrators.

## Meetings of directors

The number of meetings of the company's Board of Directors and of each board committee held during the year ended 31 December 2018, and the numbers of meetings attended by each director were:

Director	Insearch Board meetings (7)		Audit and Risk Committee meetings (4)		Remuneration and Nominations Committee meetings (3)		Academic Board meetings (4)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ross Milbourne, AO	7	7	-	4	-	-	-	-
Anne Dwyer	7	7	4	4	3	3	-	-
Mary Spongberg	3	3	-	1	-	-	-	-
Alex Murphy	7	7	-	4	-	2	-	4
Peter Bennett	7	6	4	3	3	3	-	1
Guy Freeland	7	7	4	4	-	-	-	1
Nell Anderson	7	6	-	2	3	3	-	1
John Chalmers	4	4	-	1	-	-	-	-
Iain Watt	3	3	-	2	-	-	-	-
Chris Earley	4	3	-	2	-	-	-	-

Note: Directors have an open invitation to attend any Audit and Risk Committee and Academic Board meeting.

## Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with the instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

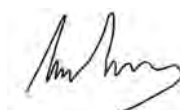
## Auditor

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 115 of this report.

For and on behalf of the directors signed at Sydney this 21 March 2019.



Emeritus Vice-Chancellor Ross Milbourne, AO  
Director



Alex Murphy  
Director



## Directors' declaration

In accordance with a resolution of the directors of Insearch Limited, the directors of the company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001* (Cth) and:
  - (i) comply with Accounting Standards and the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*, as stated in accounting policy note 2 to the financial statements, and
  - (ii) give a true and fair view of the financial position as at 31 December 2018 and of its performance for the year ended on that date of the consolidated group.
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors pursuant to section 295(5) of the *Corporations Act 2001* (Cth).

Signed on behalf of the Board of Directors



Emeritus Vice-Chancellor Ross Milbourne, AO  
Director

Sydney 21 March 2019



Alex Murphy  
Director

## Independent auditor's report



### INDEPENDENT AUDITOR'S REPORT

#### Insearch Limited

To Members of the New South Wales Parliament and Members of Insearch Limited

#### Opinion

I have audited the accompanying financial report of Insearch Limited (the Company), which comprises the Statements of Comprehensive Income for the year ended 31 December 2018, the Statements of Financial Position as at 31 December 2018, the Statements of Changes in Equity and the Statements of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, of the Company and the consolidated entity. The consolidated entity comprises the Company and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial report:

- is in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2018 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Company and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services

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

## Independent auditor's report (continued)

### Other Information

Other information comprises the information included in the annual report of the Company and consolidated entity for the year ended 31 December 2018, other than the financial report and my Independent Auditor's Report thereon. The directors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Directors' Report.

My opinion on the financial report does not cover the other Information. Accordingly, I do not express any form of assurance conclusion on the other Information.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### Directors' Responsibilities for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act, *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

## Independent auditor's report (continued)

My opinion does not provide assurance:

- that the Company or the consolidated entity carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis  
Director Financial Audit Services

21 March 2019  
SYDNEY

## Auditor's independence declaration



To the Directors  
Insearch Limited

### **Auditor's Independence Declaration**

As auditor for the audit of the financial report of Insearch Limited for the year ended 31 December 2018, I declare, 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
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C. Karakatsanis".

Caroline Karakatsanis  
Director Financial Audit Services

21 March 2019  
SYDNEY

## Statement of comprehensive income

for the year ended 31 December 2018

	Notes	Consolidated entity		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Revenue from continuing operations	5	117,694	115,747	118,403	116,240
Other income	6	788	384	788	384
Employee benefits expenses	7	(49,490)	(46,944)	(48,954)	(46,567)
Depreciation and amortisation expense	7	(5,722)	(5,858)	(5,702)	(5,839)
Net impairment gains (losses) on financial assets		79	(46)	79	(46)
Other expenses	7	(52,810)	(51,916)	(53,397)	(52,323)
Finance costs		(91)	(77)	(91)	(77)
Share of net profit of associate and joint venture accounted for using the equity method	11	477	437	-	-
<b>Operating surplus before donation</b>		<b>10,925</b>	<b>11,727</b>	<b>11,126</b>	<b>11,772</b>
Donation to University of Technology Sydney		(17,165)	(17,172)	(17,165)	(17,172)
<b>Deficit for the year attributable to members</b>		<b>(6,240)</b>	<b>(5,445)</b>	<b>(6,039)</b>	<b>(5,400)</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	19(a)	69	(54)	-	-
<b>Other comprehensive income (loss) for the year</b>		<b>69</b>	<b>(54)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year attributable to members</b>		<b>(6,171)</b>	<b>(5,499)</b>	<b>(6,039)</b>	<b>(5,400)</b>

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

# Statement of financial position

as at 31 December 2018

	Notes	Consolidated entity		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	64,250	74,622	63,535	74,275
Trade receivables	9	89	61	89	61
Financial assets at amortised cost	10	1,481	2,050	1,782	2,321
Other assets	14	5,091	4,754	5,064	4,748
<b>Total current assets</b>		<b>70,911</b>	<b>81,487</b>	<b>70,470</b>	<b>81,405</b>
<b>Non-current assets</b>					
Investments accounted for using the equity method	11	509	653	-	-
Property, plant and equipment	12	16,349	15,790	16,276	15,724
Intangible assets	13	4,778	4,414	4,778	4,414
Other assets	14	108	142	663	691
<b>Total non-current assets</b>		<b>21,744</b>	<b>20,999</b>	<b>21,717</b>	<b>20,829</b>
<b>Total assets</b>		<b>92,655</b>	<b>102,486</b>	<b>92,187</b>	<b>102,234</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	15	1,885	964	1,725	1,138
Provisions	16	40	68	40	68
Employee benefit obligations	17	5,144	4,479	5,144	4,479
Other current liabilities	18	30,440	35,076	30,426	35,076
<b>Total current liabilities</b>		<b>37,509</b>	<b>40,587</b>	<b>37,335</b>	<b>40,761</b>
<b>Non-current liabilities</b>					
Provisions	16	3,078	3,603	3,078	3,603
Employee benefit obligations	17	2,663	2,720	2,663	2,720
<b>Total non-current liabilities</b>		<b>5,741</b>	<b>6,323</b>	<b>5,741</b>	<b>6,323</b>
<b>Total liabilities</b>		<b>43,250</b>	<b>46,910</b>	<b>43,076</b>	<b>47,084</b>
<b>Net assets</b>		<b>49,405</b>	<b>55,576</b>	<b>49,111</b>	<b>55,150</b>
<b>Equity</b>					
Reserves	19(a)	(671)	(740)	-	-
Retained surplus	19(b)	50,076	56,316	49,111	55,150
<b>Total equity</b>		<b>49,405</b>	<b>55,576</b>	<b>49,111</b>	<b>55,150</b>

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 2018

	Notes	Reserves	Retained surplus	Total equity
		\$'000	\$'000	\$'000
<b>Consolidated</b>				
Balance at 1 January 2017		(686)	61,761	61,075
Deficit for the year	19(b)	-	(5,445)	(5,445)
Exchange differences on translation of foreign operations	19(a)	(54)	-	(54)
<b>Total comprehensive loss for the year</b>		<b>(54)</b>	<b>(5,445)</b>	<b>(5,499)</b>
<b>Balance at 31 December 2017</b>		<b>(740)</b>	<b>56,316</b>	<b>55,576</b>
Balance at 1 January 2018		(740)	56,316	55,576
Deficit for the year	19(b)	-	(6,240)	(6,240)
Exchange differences on translation of foreign operations	19(a)	69	-	69
<b>Total comprehensive loss for the year</b>		<b>69</b>	<b>(6,240)</b>	<b>(6,171)</b>
<b>Balance at 31 December 2018</b>		<b>(671)</b>	<b>50,076</b>	<b>49,405</b>
<b>Parent entity</b>				
Balance at 1 January 2017		-	60,550	60,550
Deficit for the year	19(b)	-	(5,400)	(5,400)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(5,400)</b>	<b>(5,400)</b>
<b>Balance at 31 December 2017</b>		<b>-</b>	<b>55,150</b>	<b>55,150</b>
Balance at 1 January 2018		-	55,150	55,150
Deficit for the year	19(b)	-	(6,039)	(6,039)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(6,039)</b>	<b>(6,039)</b>
<b>Balance at 31 December 2018</b>		<b>-</b>	<b>49,111</b>	<b>49,111</b>

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 2018

	Notes	Consolidated entity		Parent entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of goods and services tax)		117,704	119,088	117,674	119,934
Donation paid to the University of Technology Sydney		(17,165)	(17,172)	(17,165)	(17,172)
Payment to suppliers and employees (inclusive of goods and services tax)		(107,142)	(100,078)	(107,486)	(100,732)
		(6,603)	1,838	(6,977)	2,030
Net interest received		1,607	1,680	1,606	1,679
Joint venture partnership distribution received		-	1,049	-	1,049
Input tax credit refund from Australian Taxation Office		1,269	1,150	1,269	1,150
<b>Net cash (outflow)/inflow from operating activities</b>	27	<b>(3,727)</b>	<b>5,717</b>	<b>(4,102)</b>	<b>5,908</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(5,073)	(3,959)	(5,049)	(3,947)
Payments for intangibles		(1,638)	-	(1,638)	-
Loans to joint venture		-	(60)	-	(60)
Proceeds from sale of property, plant and equipment		49	46	49	46
<b>Net cash (outflow) from investing activities</b>		<b>(6,662)</b>	<b>(3,973)</b>	<b>(6,638)</b>	<b>(3,961)</b>
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(10,389)</b>	<b>1,744</b>	<b>(10,740)</b>	<b>1,947</b>
Cash and cash equivalents at the beginning of the financial year		74,622	72,889	74,275	72,328
Effects of exchange rate changes on cash and cash equivalents		17	(11)	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>64,250</b>	<b>74,622</b>	<b>63,535</b>	<b>74,275</b>

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

## 1. The company

Insearch Limited is a public company, limited by guarantee of its members, having no share capital. The company is incorporated and domiciled in Australia. Its registered place of business is level 9, 187 Thomas Street, Sydney NSW 2000. The company provides education services in English language, business and other disciplines to Australian and overseas students in Australia.

Insearch Limited is a controlled entity of the University of Technology Sydney. This status is a reflection of the terms of the Insearch constitution and the structure of the Insearch board.

The company has the wholly owned entities, Insearch Education International Pty Limited, Insearch (Shanghai) Limited and Insearch India LLP. Insearch Education International Pty Limited is a private company, incorporated in Australia and formed in 1995. Insearch (Shanghai) Limited provides consulting, marketing support and other services to Insearch Limited. Insearch (Shanghai) Limited was formed in 2001 in the People's Republic of China. Insearch India LLP is a partnership between Insearch Limited (90 per cent owned) and Insearch Education International Pty Limited (10 per cent owned). The entity provides consulting, marketing support and other services to Insearch Limited across the sub-continent region. Insearch India LLP was formed in 2018 in India.

## 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for the parent entity and the group comprising Insearch Limited and its subsidiaries.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the *Corporations Act 2001* (Cth). Where there are inconsistencies between the above requirements, the legislative provisions have prevailed. Insearch Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 21 March 2019.

#### (i) Statement of compliance

The parent entity's financial statements and accompanying notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

Generally accepted accounting principles, authoritative pronouncements of the AASB, including interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the *Corporations Act 2001* (Cth) have been used to prepare the subsidiaries' financial statements.

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

#### (iii) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time in its annual reporting period commencing 1 January 2018:

- AASB 9 *Financial Instruments*

The group also elected to adopt the following amendments early:

- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*.

The group had to change its accounting policies following the adoption of AASB 9. However these amendments did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years

#### (iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	AASB 16 Leases
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	The group has set up a project team that has reviewed all of the group's leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of \$33,950,000 (see note 24).
Mandatory application date/ Date of adoption by group	The group will apply the standard from its mandatory adoption date of 1 January 2019

#### AASB 15 Revenue from Contracts with Customers

AASB 15 replaced AASB 118 Revenue and amends the principles for recognising revenue from customers. As a not-for-profit entity, the standard applies to the group for the financial years beginning 1 January 2019. While some subsidiaries have applied this standard from 1 January 2018, the application of AASB 15 does not have a material impact on the group's revenue recognition policies.

There are no other standards that are not yet effective and that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

#### (v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

Insearch Limited has made estimates on the valuation of its associate and joint venture investments. Estimates are based on the historical experience and other factors that are considered to be relevant, including latest available management information of financial performance and position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

#### (b) Principles of consolidation and equity accounting

##### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Insearch Limited ('company' or 'parent entity') as at 31 December 2018 and the results of all subsidiaries for the year then ended. Insearch Limited and its subsidiaries together are referred to in these financial statements as the group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

##### (ii) Associates

Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions receivable from associates are recognised in the parent entity statement of comprehensive income, while in the consolidated financial statements they are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

##### (iii) Joint ventures

The interest in a joint venture is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Details relating to the joint venture are set out in note 11. Initial investment in the joint venture in the form of a loan is recognised as a financial asset.

Profits or losses on transactions establishing the joint venture and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the joint venture on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is Insearch Limited's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

**(iii) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

**(iv) Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

**(d) Revenue recognition**

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group 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 using the methods outlined below.

**(i) Fees**

Education fees are recognised as revenue in advance upon student enrolment and are then disbursed to revenue at the time of course delivery. Education revenue is disclosed net of refunds.

**(ii) Other fees and charges**

Fees are recognised as revenue when services are provided.

**(iii) Other income**

Other income includes net gain or loss on disposal of non-current assets.

**(e) Expense recognition**

**(i) Direct expenses**

Costs associated with delivering educational programs are recognised at the time of course delivery. Direct expenses incurred for courses not delivered are treated as prepayments.

**(ii) Other expenses**

All other expenses are charged against revenue when the liability has been recognised.

**(f) Income tax**

No income tax has been provided in the attached accounts for the Australian operation as the company is exempt from income tax under section 50-55 of the *Income Tax Assessment Act 1997*.

Income tax has been provided, where appropriate, for the other overseas entities.

**(g) Goods and Services Tax**

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 consolidated 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.

**(h) Acquisition of assets**

The purchase method of accounting is used to account for all acquisitions of assets. Assets are initially recorded at their cost at the date of acquisition. Cost is measured as the fair value of the consideration provided at the date of exchange and incidental costs directly attributable to the acquisition.

**(i) Impairment of assets**

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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

**(j) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank is interest bearing with interest rates between 0.10 per cent and 0.65 per cent (2017: 0.10 per cent and 0.65 per cent). Deposits at call are bearing a floating interest rate at 1.15 per cent and 1.40 per cent (2017: 1.40 per cent and 1.55 per cent). Fixed-term deposits are bearing interest rates between 1.90 per cent and 2.44 per cent (2017: 1.82 per cent and 2.26 per cent).

**(k) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss on trade receivables is presented as net impairment losses in the statement of comprehensive income. When a trade receivable for which an impairment loss had been recognised becomes uncollectible in a subsequent period, it is written off against the impairment account. Subsequent recoveries of amounts previously written off are credited against net impairment losses line in the statement of comprehensive income.

**(l) Investments and other financial assets**

The group has applied AASB 9 retrospectively, as this resulted in no material differences comparative information has not been restated.

From 1 January 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. As of 31 December 2018 and 31 December 2017, the group only have financial assets to be measured at amortised cost.

**(m) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Capitalisation threshold for all assets is \$1000. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life in the group. The Capital Review Committee reviews the estimated useful lives, residual values and depreciation method of assets at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives for the parent entity are as follows:

Furniture and fittings	Period of the lease
Office equipment	3-5 years
Motor vehicles	3-4 years
Computer equipment	3-5 years

The cost of improvements to leasehold properties has been integrated into the asset class of furniture and fittings, and has been depreciated in line with the expected unexpired period of the lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

**(n) Intangible assets**

**(i) IT development and software**

Software is initially recorded at historical cost and amortised. Subsequently software is reported at its recoverable amount, as the carrying amount of each asset is reviewed annually by the Capital Review Committee to determine whether it is in excess of its recoverable amount at the end of the reporting period.

Amortisation is calculated on a straight-line basis over periods generally ranging from two to seven years.

**(ii) Curriculum and course development and validation expenses**

Curriculum and course development represents the costs associated with developing the curriculum and teaching materials for a course to be delivered. These have a finite useful life and are carried at cost less accumulated amortisation and impairment losses, if any.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

**(iii) Website development**

The costs associated in developing, building and enhancing websites designed for external access, to the extent they represent future economic benefits, are controlled and can be reliably measured, have been capitalised and amortised over the period of the expected benefits.

Amortisation is calculated on a straight-line basis to write off the net cost of each asset over its expected useful life of three years.

**(o) Leases**

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. 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. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease commitments are reported inclusive of GST with the input tax recoverable from the Australian Taxation Office.

**(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(q) Provisions**

The provisions of the group are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**(r) Employee benefits**

**(i) Short-term obligations**

Annual leave and long service leave entitlements that are expected to be settled wholly within 12 months, after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

**(ii) Long-term obligations**

The recorded liability for provision of annual leave includes annual leave entitlements accrued but not expected to be taken within one year. These entitlements are measured at the present value of expected future payments to be made, including on costs of leave accrued by employees up to the end of the reporting period. The expected future payments of this leave provision is discounted using published market yield of the two-year Treasury Bond at the end of the reporting period of 1.93 per cent (2017: 2.00 per cent).

The provision for long service leave is recognised as a liability and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to on costs, expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using published market yield of the 10-year Treasury Bond at the end of the reporting period of 2.36 per cent (2017: 2.63 per cent).

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

**(iii) Superannuation**

Insearch Limited complies with the *Superannuation Guarantee (Administration) Act 1992*.

**(s) Rounding of amounts**

The company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars or, in certain cases, the nearest dollar.

**3. Changes in accounting policies**

As explained in note 2(a) above, the group has adopted the following new or revised accounting standard this year that has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

**AASB 9 Financial Instruments**

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

It was deemed unnecessary to restate 2017 comparatives as the amount is not material.

#### 4. Financial risk management

Insearch Limited's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. Insearch Limited does not enter into or trade in financial instruments.

Insearch Limited's risks arising from financial instruments are outlined below, together with the entity's objectives and policies for measuring and managing risk.

The Insearch Limited Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee on a continuous basis.

	Financial assets at amortised cost \$'000	Total \$'000
<b>Consolidated</b>		
<b>Financial assets</b>		
<b>2018</b>		
Cash and cash equivalents	64,250	64,250
Trade receivables – current <sup>1</sup>	89	89
Other non-current assets	108	108
	<b>64,447</b>	<b>64,447</b>
<b>2017</b>		
Cash and cash equivalents	74,622	74,622
Trade and other receivables – current <sup>1</sup>	2,111	2,111
Other non-current assets	142	142
	<b>76,875</b>	<b>76,875</b>

1. Excluding prepayments and statutory receivables/payables.

	Liabilities at amortised cost \$'000	Total \$'000
<b>Consolidated</b>		
<b>Financial liabilities</b>		
<b>2018</b>		
Trade and other payables	1,885	1,885
Other current liabilities <sup>1</sup>	30,440	30,440
	<b>32,325</b>	<b>32,325</b>
<b>2017</b>		
Trade and other payables	964	964
Other current liabilities <sup>1</sup>	35,076	35,076
	<b>36,040</b>	<b>36,040</b>

1. Excluding prepayments and statutory receivables/payables.

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	Financial assets at amortised cost \$'000	Total \$'000
<b>Parent entity</b>		
<b>Financial assets</b>		
<b>2018</b>		
Cash and cash equivalents	63,535	63,535
Trade receivables – current <sup>1</sup>	89	89
Other non-current assets	663	663
	<b>64,287</b>	<b>64,287</b>
<b>2017</b>		
Cash and cash equivalents	74,275	74,275
Trade and other receivables – current <sup>1</sup>	2,382	2,382
Other non-current assets	691	691
	<b>77,348</b>	<b>77,348</b>

1. Excluding prepayments and statutory receivables/payables.

	Liabilities at amortised cost \$'000	Total \$'000
<b>Parent entity</b>		
<b>Financial liabilities</b>		
<b>2018</b>		
Trade and other payables	1,725	1,725
Other current liabilities <sup>1</sup>	30,426	30,426
	<b>32,151</b>	<b>32,151</b>
<b>2017</b>		
Trade and other payables	1,138	1,138
Other financial liabilities <sup>1</sup>	35,076	35,076
	<b>36,214</b>	<b>36,214</b>

1. Excluding prepayments and statutory receivables/payables.

**(a) Market risk**

The primary areas of market risk that Insearch Limited is exposed to are foreign exchange risk and interest rate risk.

**(i) Foreign exchange risk**

Insearch Limited's tuition fees for services provided in Australia are specified in Australian dollars. Therefore there is little or no exchange rate exposure in relation to fees.

Insearch Limited has operations in China, Vietnam, India and Indonesia which are affected by movements in exchange rates. The impact of these movements can affect both the operating surplus expressed in Australian dollars and the carrying values of the operations on the statement of financial position of the group.

Insearch Limited views these exposures to movements in exchange rates as long term and therefore does not hedge against foreign exchange movements.

The movement in exchange rates in 2018 has contributed to the Australian dollar decrease in deficit for Insearch Limited.

**Sensitivity**

As shown in the table below, the group is primarily exposed to changes in RMB/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from RMB denominated financial instruments and the impact on other components of equity arises from cash and cash equivalents.



	Impact on surplus		Impact on other components of equity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Consolidated</b>				
RMB/AUD exchange rate – increase 10%	–	–	106	73
RMB/AUD exchange rate – decrease 10%	–	–	(106)	(73)
USD/AUD exchange rate – increase 10%	–	–	(1)	(5)
USD/AUD exchange rate – decrease 10%	–	–	1	5
INR/AUD exchange rate – increase 10%	–	–	4	4
INR/AUD exchange rate – decrease 10%	–	–	(4)	(4)

(ii) Interest rate risk

Cash investments are maintained for between one to four months in order to respond to more attractive interest bearing deposits. Cash investments are reviewed monthly as part of the management reporting process.

Insearch Limited has no borrowings and therefore no associated payable risk as a result of fluctuating interest rates. Insearch Limited does have an exposure to changes in income due to fluctuations in interest rates.

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and trade and other receivables as a result of changes in interest rates.

	Impact on surplus		Impact on other components of equity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Consolidated</b>				
Interest rates – increase by 1%	645	748	–	–
Interest rates – decrease by 1%	(645)	(748)	–	–

(b) Credit risk

Credit risk arises where there is a possibility of the entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the entity.

Insearch Limited has limited exposure to credit risk due to the collection of the majority of tuition fees prior to the provision of services. The group's position with regard to credit risk is monitored monthly with outstanding items being actively managed.

Cash and cash equivalents comprise cash on hand and bank balances held with the Commonwealth Bank, NAB and ANZ Bank. Interest on these accounts is earned on the daily bank balance.

(i) Impairment of financial assets trade receivables

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of revenue over a period of 36 months before 31 December 2018 or 1 January 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the students to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of AASB 9) was determined as follows for both trade receivables.

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	Current (less then 90 days past due)	90–180 days past due	More than 180 past due	Total \$'000
<b>Consolidated and parent entity</b>				
<b>31 December 2018</b>				
Expected loss rate	6.32%	100%	100%	
Gross carrying amount – trade receivables	95	11	1	107
<b>Loss allowance</b>	<b>6</b>	<b>11</b>	<b>1</b>	<b>18</b>
<b>31 December 2017</b>				
Expected loss rate	0.00%	100%	100%	
Gross carrying amount – trade receivables	61	127	4	192
<b>Loss allowance</b>	<b>–</b>	<b>127</b>	<b>4</b>	<b>131</b>

**(c) Liquidity risk**

Liquidity risk is the risk that the group will be unable to meet its payment obligations when they fall due.

Insearch Limited maintains adequate cash balances to ensure that it has sufficient funds to meet operating expenditure and capital expenditure.

Liquidity is managed by the group through the preparation and review of monthly statement of cash flows and cash forecasts. Cash at bank is reconciled on a monthly basis and bank balances are independently confirmed as part of the annual audit process

**(d) Fair value measurements**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of the group's financial instruments is equal to their carrying value.

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>5. Revenue</b>				
<b>Revenue from continuing operations</b>				
Fees	115,995	114,091	115,995	114,091
Interest	1,699	1,656	1,698	1,655
Distributions from interest in associate	–	–	710	494
<b>Total revenue</b>	<b>117,694</b>	<b>115,747</b>	<b>118,403</b>	<b>116,240</b>
<b>6. Other income</b>				
Net (loss)/gain on disposal of non-current assets	(20)	16	(20)	16
Other	808	368	808	368
<b>Total other income</b>	<b>788</b>	<b>384</b>	<b>788</b>	<b>384</b>
<b>7. Expenses</b>				
<b>Expenses from continuing operations</b>				
<b>(i) Employee benefits expenses</b>				
Salaries and wages	41,470	39,383	40,934	39,006
Superannuation	3,786	3,625	3,786	3,625
Payroll tax	2,506	2,324	2,506	2,324
Other	1,728	1,612	1,728	1,612
<b>Total employee benefits expenses</b>	<b>49,490</b>	<b>46,944</b>	<b>48,954</b>	<b>46,567</b>

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(ii) Depreciation and amortisation expense</b>				
<b>Depreciation</b>				
Office equipment	397	400	392	395
Furniture and fittings	2,978	2,914	2,977	2,911
Motor vehicles	77	86	77	86
Computer equipment	996	1,169	982	1,158
<b>Total depreciation</b>	<b>4,448</b>	<b>4,569</b>	<b>4,428</b>	<b>4,550</b>
<b>Amortisation</b>				
Curriculum	303	629	303	629
Software	971	660	971	660
<b>Total amortisation</b>	<b>1,274</b>	<b>1,289</b>	<b>1,274</b>	<b>1,289</b>
<b>Total depreciation and amortisation expense</b>	<b>5,722</b>	<b>5,858</b>	<b>5,702</b>	<b>5,839</b>
<b>(iii) Other expenses</b>				
Occupancy	12,373	10,860	11,970	10,671
Security	535	584	535	584
Communications	710	579	639	519
Homestay and welcome	2,449	2,781	2,449	2,781
Educational expenses	4,065	4,373	4,065	4,373
Scholarships	619	583	619	583
Promotion and channel partner commissions	21,021	21,226	22,834	22,434
Travel	1,507	2,290	1,323	2,116
Staff appointments	399	534	399	534
IT costs	1,497	1,559	1,497	1,559
Staff wellbeing	380	232	37	457
Sponsorships	414	457	414	16
Audit and accounting fees	466	352	414	350
Legal fees	365	623	365	623
Consultancy	1,997	1,455	1,980	1,455
Subscription and membership	264	268	264	267
Printing and stationery	456	522	444	513
Loss/(gain) on foreign exchange	42	95	42	95
Impairment losses of investments	-	-	(39)	(72)
Other	3,251	2,543	3,146	2,465
<b>Total other expenses</b>	<b>52,810</b>	<b>51,916</b>	<b>53,397</b>	<b>52,323</b>
<b>7. Cash and cash equivalents</b>				
<b>Current assets</b>				
Cash at bank and in hand	5,899	6,351	5,184	6,004
Deposits at call	2,351	2,271	2,351	2,271
Term deposits	56,000	66,000	56,000	66,000
<b>Total cash and cash equivalents</b>	<b>64,250</b>	<b>74,622</b>	<b>63,535</b>	<b>74,275</b>

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	2018			2017		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>9. Trade receivables</b>						
<b>Consolidated</b>						
Trade receivables	107	–	107	192	–	192
Loss allowance (see note 9(a))	(18)	–	(18)	(131)	–	(131)
	<b>89</b>	<b>–</b>	<b>89</b>	<b>61</b>	<b>–</b>	<b>61</b>
<b>Parent</b>						
Trade receivables	107	–	107	192	–	192
Loss allowance (see note 9(a))	(18)	–	(18)	(131)	–	(131)
	<b>89</b>	<b>–</b>	<b>89</b>	<b>61</b>	<b>–</b>	<b>61</b>

**(a) Loss allowance**

The current trade receivables of the group with a nominal value of \$17,919 (2017: \$131,149) were impaired and they relate to individually impaired receivables for student tuition fees, which were deemed potentially uncollectable.

Movements in the loss allowance of trade receivables that are assessed for impairment collectively are as follows.

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>At 1 January</b>	131	105	131	105
Increase (decrease) in loss allowance recognised in profit or loss during the year	(85)	46	(85)	46
Receivables written off during the year as uncollectible	(28)	(20)	(28)	(20)
<b>At 31 December</b>	<b>18</b>	<b>131</b>	<b>18</b>	<b>131</b>

The creation and release of the loss allowance 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.

	2018			2017		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>10. Financial assets at amortised cost</b>						
<b>Consolidated</b>						
Loan to UTS Insearch Gramedia (UIG)	–	–	–	–	–	–
Accrued interest	242	–	242	150	–	150
Other receivables	1,239	–	1,239	1,900	–	1,900
	<b>1,481</b>	<b>–</b>	<b>1,481</b>	<b>2,050</b>	<b>–</b>	<b>2,050</b>
<b>Parent</b>						
Loan to UTS Insearch Gramedia (UIG)	248	–	248	248	–	248
Accrued interest	242	–	242	150	–	150
Other receivables	1,292	–	1,292	1,923	–	1,923
	<b>1,782</b>	<b>–</b>	<b>1,782</b>	<b>2,321</b>	<b>–</b>	<b>2,321</b>

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>11. Investments accounted for using the equity method</b>				
<b>Non-current assets</b>				
Interest in associated undertaking	509	653	-	-
<b>Total investments accounted for using the equity method</b>	<b>509</b>	<b>653</b>	<b>-</b>	<b>-</b>
<b>Share of profits and losses</b>				
Associate	504	526	-	-
Joint venture	(27)	(89)	-	-
	<b>477</b>	<b>437</b>	<b>-</b>	<b>-</b>
<b>Consolidated entity</b>				
			2018 \$'000	2017 \$'000
Carrying amount of investment in associated entity			509	653
<b>Share of assets and liabilities</b>				
Current assets			1,005	634
Non-current assets			57	61
<b>Total assets</b>			<b>1,062</b>	<b>695</b>
Current liabilities			553	42
Non-current liabilities			-	-
<b>Total liabilities</b>			<b>553</b>	<b>42</b>
<b>Net assets</b>			<b>509</b>	<b>653</b>
<b>Share of revenue and expenses</b>				
Revenues			3,308	3,211
Expenses			(2,831)	(2,774)
<b>Net profit</b>			<b>477</b>	<b>437</b>

(a) Associate – Australian Centre for Education and Training (ACET)

This is a business formed by Insearch Limited and IDP Education Australia (Vietnam) Limited to deliver academic English classes in Vietnam. Insearch Limited has a 50 per cent ownership interest in ACET and is entitled to a 40 per cent share of its retained earnings.

(b) Joint venture – UTS Insearch Gramedia (UIG)

In 2012, the company entered into a joint venture with Lembaga ELTI Gramedia Limited to deliver academic English programs in Indonesia. The name of the joint venture was changed from Lembaga ELTI Gramedia (ELTI) to UTS Insearch Gramedia (UIG) in 2016.

The company's investment in UIG was in the form of a loan amounting to \$247,521. Subsequent losses of the joint venture have been recognised as an increase of the loan balance.

As at 31 December 2018, UIG's share of cumulative losses amounting to \$370,371 (2017: \$330,902) has been offset against the loan balance of \$247,521. The excess amount of \$122,850 (2017: \$83,382) is recorded as an amount due to the joint venture. Losses inclusive of net foreign exchange gains or losses recognised in 2018 were \$39,469 (2017: \$65,829).

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	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>12. Property, plant and equipment</b>						
<b>Consolidated</b>						
<b>At 1 January 2017</b>						
Cost	2,118	283	25,482	6,257	193	34,333
Accumulated depreciation	(719)	(150)	(11,656)	(3,668)	-	(16,193)
<b>Net book amount</b>	<b>1,399</b>	<b>133</b>	<b>13,826</b>	<b>2,589</b>	<b>193</b>	<b>18,140</b>
<b>Year ended 31 December 2017</b>						
Opening net book amount	1,399	133	13,826	2,589	193	18,140
Additions	-	-	-	12	2,237	2,249
Disposals	(22)	-	(1)	(7)	-	(30)
Transfers	425	59	1,107	513	(2,104)	-
Depreciation charge	(400)	(86)	(2,914)	(1,169)	-	(4,569)
<b>Closing net book amount</b>	<b>1,402</b>	<b>106</b>	<b>12,018</b>	<b>1,938</b>	<b>326</b>	<b>15,790</b>
<b>At 31 December 2017</b>						
Cost	2,298	281	26,169	5,950	326	35,024
Accumulated depreciation	(896)	(175)	(14,151)	(4,012)	-	(19,234)
<b>Net book amount</b>	<b>1,402</b>	<b>106</b>	<b>12,018</b>	<b>1,938</b>	<b>326</b>	<b>15,790</b>
<b>Year ended 31 December 2018</b>						
Opening net book amount	1,402	106	12,018	1,938	326	15,790
Exchange differences	1	-	-	2	-	3
Additions	-	-	37	21	5,015	5,073
Disposals	-	-	(69)	-	-	(69)
Transfers	75	132	555	720	(1,482)	-
Depreciation charge	(397)	(77)	(2,978)	(996)	-	(4,448)
<b>Closing net book amount</b>	<b>1,081</b>	<b>161</b>	<b>9,563</b>	<b>1,685</b>	<b>3,859</b>	<b>16,349</b>
<b>At 31 December 2018</b>						
Cost	2,374	322	26,310	6,686	3,859	39,551
Accumulated depreciation	(1,293)	(161)	(16,747)	(5,001)	-	(23,202)
<b>Net book amount</b>	<b>1,081</b>	<b>161</b>	<b>9,563</b>	<b>1,685</b>	<b>3,859</b>	<b>16,349</b>

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent entity</b>						
<b>At 1 January 2017</b>						
Cost	2,087	283	25,449	6,176	193	34,188
Accumulated depreciation	(710)	(150)	(11,626)	(3,635)	-	(16,121)
<b>Net book amount</b>	<b>1,377</b>	<b>133</b>	<b>13,823</b>	<b>2,541</b>	<b>193</b>	<b>18,067</b>
<b>Year ended 31 December 2017</b>						
Opening net book amount	1,377	133	13,823	2,541	193	18,067
Additions	-	-	-	-	2,237	2,237
Disposals	(22)	-	(1)	(7)	-	(30)
Transfers	425	59	1,107	513	(2,104)	-
Depreciation charge	(395)	(86)	(2,911)	(1,158)	-	(4,550)
<b>Closing net book amount</b>	<b>1,385</b>	<b>106</b>	<b>12,018</b>	<b>1,889</b>	<b>326</b>	<b>15,724</b>
<b>At 31 December 2017</b>						
Cost	2,274	281	26,136	5,890	326	34,907
Accumulated depreciation	(889)	(175)	(14,118)	(4,001)	-	(19,183)
<b>Net book amount</b>	<b>1,385</b>	<b>106</b>	<b>12,018</b>	<b>1,889</b>	<b>326</b>	<b>15,724</b>
<b>Year ended 31 December 2018</b>						
Opening net book amount	1,385	106	12,018	1,889	326	15,724
Additions	-	-	34	-	5,015	5,049
Disposals	-	-	(69)	-	-	(69)
Transfers	75	132	555	720	(1,482)	-
Depreciation charge	(392)	(77)	(2,977)	(982)	-	(4,428)
<b>Closing net book amount</b>	<b>1,068</b>	<b>161</b>	<b>9,561</b>	<b>1,627</b>	<b>3,859</b>	<b>16,276</b>
<b>At 31 December 2018</b>						
Cost	2,349	322	26,281	6,603	3,859	39,414
Accumulated depreciation	(1,281)	(161)	(16,720)	(4,976)	-	(23,138)
<b>Net book amount</b>	<b>1,068</b>	<b>161</b>	<b>9,561</b>	<b>1,627</b>	<b>3,859</b>	<b>16,276</b>

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	Curriculum	Computer software	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000
<b>13. Intangible assets</b>				
<b>Consolidated and parent entity</b>				
<b>At 1 January 2017</b>				
Cost	3,143	10,141	733	14,017
Accumulated amortisation and impairment	(2,093)	(8,397)	-	(10,490)
<b>Net book amount</b>	<b>1,050</b>	<b>1,744</b>	<b>733</b>	<b>3,527</b>
<b>Year ended 31 December 2017</b>				
Opening net book amount	1,050	1,744	733	3,527
Additions	-	-	2,176	2,176
Transfers	-	1,122	(1,122)	-
Amortisation charge	(629)	(660)	-	(1,289)
<b>Closing net book amount</b>	<b>421</b>	<b>2,206</b>	<b>1,787</b>	<b>4,414</b>
<b>At 31 December 2017</b>				
Cost	3,143	10,917	1,787	15,847
Accumulated amortisation and impairment	(2,722)	(8,711)	-	(11,433)
<b>Net book amount</b>	<b>421</b>	<b>2,206</b>	<b>1,787</b>	<b>4,414</b>
<b>Year ended 31 December 2018</b>				
Opening net book amount	421	2,206	1,787	4,414
Additions	-	-	1,638	1,638
Transfers	209	2,511	(2,720)	-
Amortisation charge	(303)	(971)	-	(1,274)
<b>Closing net book amount</b>	<b>327</b>	<b>3,746</b>	<b>705</b>	<b>4,778</b>
<b>At 31 December 2018</b>				
Cost	3,352	13,428	705	17,485
Accumulated amortisation and impairment	(3,025)	(9,682)	-	(12,707)
<b>Net book amount</b>	<b>327</b>	<b>3,746</b>	<b>705</b>	<b>4,778</b>



	2018			2017		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>14. Other assets</b>						
<b>Consolidated</b>						
Prepayments	5,091	-	5,091	4,754	-	4,754
Security deposits	-	108	108	-	142	142
Interest in associate and joint venture	-	-	-	-	-	-
Insearch (Shanghai) Limited	-	-	-	-	-	-
Insearch India LLP	-	-	-	-	-	-
	<b>5,091</b>	<b>108</b>	<b>5,199</b>	<b>4,754</b>	<b>142</b>	<b>4,896</b>
<b>Parent</b>						
Prepayments	5,064	-	5,064	4,748	-	4,748
Security deposits	-	25	25	-	94	94
Interest in associate and joint venture	-	81	81	-	81	81
Insearch (Shanghai) Limited	-	555	555	-	516	516
Insearch India LLP	-	2	2	-	-	-
	<b>5,064</b>	<b>663</b>	<b>5,727</b>	<b>4,748</b>	<b>691</b>	<b>5,439</b>
<b>15. Trade and other payables</b>						
<b>Consolidated</b>						
Trade and other payables	1,709	-	1,709	796	-	796
Amounts due to joint venture	123	-	123	83	-	83
University of Technology Sydney	10	-	10	67	-	67
Other creditors	43	-	43	18	-	18
	<b>1,885</b>	<b>-</b>	<b>1,885</b>	<b>964</b>	<b>-</b>	<b>964</b>
<b>Parent</b>						
Trade and other payables	1,715	-	1,715	796	-	796
Amounts due to joint venture	-	-	-	-	-	-
University of Technology Sydney	10	-	10	67	-	67
Other creditors	-	-	-	275	-	275
	<b>1,725</b>	<b>-</b>	<b>1,725</b>	<b>1,138</b>	<b>-</b>	<b>1,138</b>
<b>16. Provisions</b>						
<b>Consolidated</b>						
Make good provision	-	3,078	3,078	-	3,563	3,563
Lease incentives	40	-	40	68	40	108
	<b>40</b>	<b>3,078</b>	<b>3,118</b>	<b>68</b>	<b>3,603</b>	<b>3,671</b>
<b>Parent</b>						
Make good provision	-	3,078	3,078	-	3,563	3,563
Lease incentives	40	-	40	68	40	108
	<b>40</b>	<b>3,078</b>	<b>3,118</b>	<b>68</b>	<b>3,603</b>	<b>3,671</b>

(a) Information about individual provisions and significant estimates

Make good provision

The provision for make good in relation to fixtures installed at leased office space is required to be provided for under AASB 116 *Property, plant and equipment*. The make good obligations are expected to be settled within the next five to nine financial years.

(b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Make good	Lease incentives	Total
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
<b>2018</b>			
<b>Current and non-current</b>			
Carrying amount at start of year	3,563	108	3,671
Charged/(credited) to the profit or loss	(485)	(68)	(553)
<b>Carrying amount at end of year</b>	<b>3,078</b>	<b>40</b>	<b>3,118</b>
<b>Parent</b>			
<b>2018</b>			
<b>Current and non-current</b>			
Carrying amount at start of year	3,563	108	3,671
Charged/(credited) to the profit or loss	(485)	(68)	(553)
<b>Carrying amount at end of year</b>	<b>3,078</b>	<b>40</b>	<b>3,118</b>

	2018			2017		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>17. Employee benefit obligations</b>						
<b>Consolidated</b>						
Leave obligations – annual leave (a)	2,611	–	2,611	2,352	–	2,352
Leave obligations – long service leave (a)	2,533	2,663	5,196	2,127	2,720	4,847
<b>Total employee benefit obligations</b>	<b>5,144</b>	<b>2,663</b>	<b>7,807</b>	<b>4,479</b>	<b>2,720</b>	<b>7,199</b>
<b>Parent</b>						
Leave obligations – annual leave (a)	2,611	–	2,611	2,352	–	2,352
Leave obligations – long service leave (a)	2,533	2,663	5,196	2,127	2,720	4,847
<b>Total employee benefit obligations</b>	<b>5,144</b>	<b>2,663</b>	<b>7,807</b>	<b>4,479</b>	<b>2,720</b>	<b>7,199</b>

(a) Leave obligations

The leave obligations cover the group's liabilities for long service leave and annual leave, which are classified as either other long-term benefits or short-term benefits, as explained in note 2(r).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$5,144,527 (2017: \$4,478,963) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current annual leave obligations expected to be settled after 12 months	542	408	542	408
Current long service leave obligations expected to be settled after 12 months	789	766	789	766

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>18. Other liabilities</b>				
<b>Current liabilities</b>				
Accrued expenses	4,438	5,542	4,424	5,542
Prepaid course fees	24,784	27,283	24,784	27,283
Others	1,218	2,251	1,218	2,251
<b>Total other current liabilities</b>	<b>30,440</b>	<b>35,076</b>	<b>30,426</b>	<b>35,076</b>
<b>19. Reserves and retained surplus</b>				
<b>(a) Reserves</b>				
Foreign currency translation reserve	(671)	(740)	-	-
<b>Movements</b>				
<b>Foreign currency translation reserve</b>				
Balance 1 January	(740)	(686)	-	-
Currency translation differences arising during the year	69	(54)	-	-
<b>Balance 31 December</b>	<b>(671)</b>	<b>(740)</b>	<b>-</b>	<b>-</b>
<b>(b) Retained surplus</b>				
Movements in retained surplus were as follows:				
Balance 1 January	56,316	61,761	55,150	60,550
(Deficit)/surplus for the year	(6,240)	(5,445)	(6,039)	(5,400)
<b>Balance 31 December</b>	<b>50,076</b>	<b>56,316</b>	<b>49,111</b>	<b>55,150</b>

## 20. Key management personnel disclosures

### (a) Directors

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

#### (i) Non-executive chair

RD Milbourne, AO

#### (ii) Executive director

A Murphy

#### (iii) Non-executive directors

JN Anderson

P Bennett

JP Chalmers (interim between 12 January 2018 and 16 July 2018)

AM Dwyer

PC Earley (appointed 1 July 2018)

GA Freeland

W R Purcell (resigned 12 January 2018)

M Spongberg (resigned 30 June 2018)

I Watt (appointed 17 July 2018)

### (b) Other key management personnel

A Brungs

### (c) Key management personnel compensation

Insearch Limited has three directors that are staff of UTS. These directors do not receive any remuneration in respect of their work on the Insearch Board.

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	Consolidated		Parent entity	
	2018	2017	2018	2017
<b>Remuneration of directors</b>				
\$0 to \$49,999	6	5	6	5
\$50,000 to \$99,999	3	3	3	3
\$100,000 to \$149,999	1	1	1	1
\$150,000 to \$199,999	-	-	-	-
\$200,000 to \$249,999	-	-	-	-
\$250,000 to \$299,999	-	-	-	-
\$300,000 to \$349,999	-	-	-	-
\$350,000 to \$399,999	-	-	-	-
\$400,000 to \$449,999	-	-	-	-
\$450,000 to \$499,999	-	1	-	1
\$500,000+	1	-	1	-
	11	10	11	10

	Consolidated entity		Parent entity	
	2018 \$	2017 \$	2018 \$	2017 \$
Short-term employee benefits	770,784	724,383	770,784	724,383
Post-employment benefits	59,552	68,367	59,552	68,367
	830,336	792,750	830,336	792,750

## 21. Related party transactions

### (a) Parent entities

The parent entity in the wholly owned group is Insearch Limited. The controlling entity of Insearch Limited is the University of Technology Sydney.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 22.

### (c) Transactions with related parties

The following transactions occurred with related parties:

- donation to the University of Technology Sydney \$17,164,502 (2017: \$17,172,000), this includes \$164,502 (2017: \$171,000) in respect of UTS staff acting as directors on the Insearch Board
- sales of services and fees to the University of Technology Sydney \$67,716 (2017: \$92,090)
- services rendered by the University of Technology Sydney to Insearch Limited \$5,880,268 (2017: \$5,940,168)
- consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,477,409 (2017: \$1,318,722)
- consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,477,409 (2017: \$1,318,722)
- consulting service income between Insearch India LLP and Insearch Limited \$495,161 (2017: \$nil)
- consulting service expense between Insearch Limited and Insearch India LLP \$495,161 (2017: \$nil).

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

Aggregate amounts receivable from and payable to each class of related parties at reporting date are set out below:

	Consolidated entity		Parent entity	
	2018 \$	2017 \$	2017 \$	2017 \$
<b>Current receivables (sales of goods and services)</b>				
Insearch (Shanghai) Limited	-	-	20,886	22,705
Insearch India LLP	-	-	54,839	-
<b>Current payables (sales of goods and services)</b>				
Insearch (Shanghai) Limited	-	-	-	(275,368)

## 22. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 2(b).

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2018 %	2017 %
Insearch (Shanghai) Limited	China	Ordinary	100	100
Insearch Education International Pty Limited	Australia	Ordinary	100	100
Insearch India LLP <sup>1</sup>	India	Ordinary	90	-

1. 10 per cent of Insearch India LLP is owned by Insearch Education International Pty Limited.

## 23. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated entity		Parent entity	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>(a) The Audit Office of New South Wales</b>				
<b>(i) Audit and other assurance services</b>				
Audit and review of financial statements	102,695	102,195	102,695	102,195
<b>Total auditors' remuneration</b>	<b>102,695</b>	<b>102,195</b>	<b>102,695</b>	<b>102,195</b>

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>24. Commitments</b>				
<b>(a) Capital commitments</b>				
Significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:				
Building works	2,400	-	2,400	-
Input tax recoverable from the Australian Taxation Office	218	-	218	-
<b>(b) Lease commitments</b>				
<b>(i) Non-cancellable operating leases</b>				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable with the input tax recoverable from the Australian Taxation Office:				
within one year	12,349	10,428	11,981	10,255
later than one year but not later than five years	21,601	24,379	21,502	24,112
later than five years	-	538	-	538
	<b>33,950</b>	<b>35,345</b>	<b>33,483</b>	<b>34,905</b>
Input tax recoverable from the Australian Taxation Office	3,043	3,171	3,043	3,171

## 25. Members' guarantee

Insearch Limited is incorporated under the *Corporations Act 2001* (Cth) and is a company limited by guarantee. If the company is wound up, its constitution states that each member is required to contribute a maximum of \$20 towards meeting its outstanding obligations. At reporting date, there were nine members of the entity.

## 26. Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that have significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial years.

	Consolidated entity		Parent entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>27. Cash flow information</b>				
<b>Reconciliation of deficit for the year to net cash flows from operating activities</b>				
Deficit for the year	(6,240)	(5,445)	(6,039)	(5,400)
Depreciation and amortisation	5,722	5,858	5,702	5,839
Non-cash adjustment on non-current assets	-	(466)	-	(466)
Non-cash adjustment on make good provision	(610)	-	(610)	-
Net loss/(gain) on sale of non-current assets	20	(16)	20	(16)
Share of loss of joint venture	27	89	-	-
Share of profit of associates	(504)	(526)	-	-
Bad debt provisions	(85)	131	(85)	131
Change in operating assets and liabilities:				
Decrease in trade receivables	727	2,264	57	1,776
Decrease in financial assets at amortised cost	569	854	539	861
(Increase)/decrease in other current assets	(337)	236	(316)	236
Decrease/(increase) in other non-current assets	34	(49)	28	(117)
Increase/(decrease) in trade and other payables	921	(431)	587	(154)
(Decrease)/increase in provisions	57	9	57	9
Increase in employee benefit obligations	608	601	608	601
(Decrease)/increase in other liabilities	(4,636)	2,608	(4,650)	2,608
<b>Net cash (outflow) inflow from operating activities</b>	<b>(3,727)</b>	<b>5,717</b>	<b>(4,102)</b>	<b>5,908</b>

**End of audited financial statements**

## Acknowledgements

### Compliance

The report was written to comply with relevant legislation including the *Annual Reports (Statutory Bodies) Act 1984* (NSW) and the Annual Reports (Statutory Bodies) Regulation 2015 (NSW).

In its structure and writing we have striven for best practice reporting, taking into account recommendations from the NSW Treasury and the Audit Office of New South Wales.

### Availability

The university's annual reports are available in Portable Document Format (PDF) from the UTS website:

[www.uts.edu.au](http://www.uts.edu.au)

They are also available by request to:

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### Access

UTS is open for general business from 9am to 5pm weekdays.

Many sections of the university are open at other times.



The UTS Annual Report 2018 is a record of our performance and activities for the year. Volume one is a review of our operations and statutory reporting. Volume two contains our financial statements.

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