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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 2020 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 2020 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.
8. the University charged the student services and amenities fees strictly in accordance with the Higher Education Support Act 2003 and the administration guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



A J Brungs  
Vice-Chancellor



M Collopy  
Chair, Audit and Risk Committee

14<sup>th</sup> April 2021

# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### University of Technology Sydney

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the University of Technology Sydney (the University), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the 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 2020, 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.

#### 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 University 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 (including Independence Standards)' (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)

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 31 December 2020. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
<b>Fair value measurement of property, plant and equipment</b>	
<p>At 31 December 2020, the University reported \$2.6 billion in property, plant and equipment.</p> <p>In 2020, the University:</p> <ul style="list-style-type: none"> <li>revalued land, buildings and infrastructure assets with a closing balance of \$2.1 billion.</li> <li>recorded a net revaluation increment of \$48.3 million as at 31 December 2020.</li> </ul> <p>I considered this to be a key audit matter because of the:</p> <ul style="list-style-type: none"> <li>financial significance of property, plant and equipment to the Statement of Financial Position</li> <li>extent of significant management judgements underpinning key assumptions used in the valuation process</li> <li>specialised and unique nature of the assets</li> <li>judgement and complexities associated with the application of AASB 13 'Fair Value Measurement' requirements.</li> </ul> <p>Further information on the fair value measurement of property, plant and equipment is included in Note 15 'Property, plant and equipment'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessed the competence, capability and objectivity of management's independent valuation experts</li> <li>assessed the accuracy and completeness of assets included in the revaluation</li> <li>assessed the appropriateness of the methodology used and key assumptions and judgements adopted</li> <li>assessed material changes to useful lives</li> <li>assessed the sufficiency and appropriateness of management's fair value assessment against the requirements of applicable Australian Accounting Standards</li> <li>agreed valuation amounts to the reported financial statement balances</li> <li>assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.</li> </ul>
<b>New payroll system implementation</b>	
<p>The University implemented a new payroll system and outsourced service provide for payroll in late 2020.</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>there is a risk around the completeness and accuracy of the data transferred to the new payroll system as part of the initial implementation</li> <li>there was duplication of audit activities in the current year from performing control and substantive testing over two payroll systems due to the phasing of the new payroll system implementation</li> <li>there is a risk around the reliability of the outsourced service provider's internal controls to ensure the security of data and the accuracy and completeness of the payroll data processed in the new payroll system.</li> </ul>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>performed substantive testing over the completeness and accuracy of the data migration to the new payroll system upon initial implementation</li> <li>reviewed management's control activities over the completeness and accuracy of the payroll calculation produced by the old and the new payroll systems</li> <li>performed control and substantive testing to assess the accuracy of the payroll expense</li> <li>engaged our IT and controls specialists to review the assurance report on controls at the outsourced service provider.</li> </ul>
<b>Valuation of defined benefit superannuation and long service leave liabilities</b>	

## Independent auditor's report (continued)

Key Audit Matter	How my audit addressed the matter
<p>At 31 December 2020, the University reported:</p> <ul style="list-style-type: none"> <li>defined benefit superannuation liabilities totalling \$599.9 million</li> <li>employee long service leave liabilities totalling \$103.3 million.</li> </ul> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>the defined benefit superannuation and long service leave liabilities are financially significant to the University's financial position</li> <li>there is a risk that the data used in the defined benefit superannuation and long service leave liability valuation models (the models) is not accurate and/or complete</li> <li>the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involve in the valuation assumptions, including discount rates, salary inflation and other assumptions</li> <li>the total value of the liabilities is sensitive to small changes in key valuation inputs.</li> </ul> <p>Further information on the valuation of defined benefit superannuation liabilities is included in Note 19 'Provisions' and Note 25 'Defined benefit plans'.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessed the key controls supporting the data used in the models and assessed the completeness and accuracy of the data used in the models</li> <li>obtained management's actuarial reports and year-end adjustments, and in relation to the defined benefit superannuation liabilities engaged a qualified actuary (auditor's expert) to: <ul style="list-style-type: none"> <li>assess the qualifications, competence and objectivity of management's independent experts</li> <li>assess the appropriateness of the models</li> <li>confirm the reasonableness of key assumptions used</li> <li>assess the reasonableness of the reported liability values</li> <li>assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.</li> </ul> </li> </ul>

### Other Information

The University's annual report for the year ended 31 December 2020, includes other information in addition to 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 comprises the Statement by Appointed Officers and the Council report.

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.

## Independent auditor's report (continued)

### **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 are 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 / 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:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar5.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar5.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.

S Bond .

Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

15 April 2021  
SYDNEY

# Statutory audit report



Professor Attila Brungs  
Vice Chancellor and President  
University of Technology Sydney  
PO BOX 123  
BROADWAY NSW 2000

Contact: Sally Bond  
Phone no: 9275 7172  
Our ref: D2106152/0232

15 April 2021

Dear Professor Brungs

## STATUTORY AUDIT REPORT

for the year ended 31 December 2020

University of Technology Sydney

I have audited the financial statements of University of Technology Sydney (the University) as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 31 December 2020, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the University. The PF&A Act requires me to send this report to the University, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the University's financial statements. I enclose the Independent Auditor's Report, together with the University's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

### Audit result

I expressed an unmodified opinion on the University's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

### Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the University's financial reporting framework. Misstatements can arise from error or fraud.

## Statutory audit report (continued)

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes are reported in a Statutory Audit Report
- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the University.

The financial statements did not contain any significant misstatements. Some minor amendments to disclosures were made.

### **Compliance with legislative requirements**

My audit procedures are targeted specifically towards forming an opinion on the University's financial statements. This includes testing whether the University complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context.

My testing did not identify any reportable instances of non-compliance with legislative requirements.

### **Auditor-General's Report to Parliament**

A 2021 Auditor-General's Report to Parliament will incorporate the results of the audit.

### **Publication of the Statutory Audit Report**

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

### **Acknowledgment**

I thank the University's staff for their courtesy and assistance.

Yours sincerely



Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# Income statement

for the year ended 31 December 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Revenue and income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2.1	298,917	275,260	289,830	275,260
HELP — Australian Government payments	2.1	259,431	235,254	241,496	218,160
State and local government financial assistance	2.2	8,208	4,963	8,208	4,963
HECS-HELP — student payments		17,911	18,992	17,911	18,992
Fees and charges	2.3	454,491	533,519	410,562	461,716
Investment income (net gains/losses)	2.4	7,553	10,969	7,311	9,880
Royalties, trademarks and licences	2.5	26	29	23	21
Consultancy and contracts	2.6	36,052	33,861	36,180	34,093
Other revenue	2.7	32,116	31,108	31,256	48,968
Gains on disposal of assets	5	-	-	95	-
Other income	2.7	15,903	24,657	15,895	25,713
Share of profit or (loss) on investments accounted for using the equity method	14	(334)	946	-	-
<b>Total revenue and income from continuing operations</b>		<b>1,130,274</b>	<b>1,169,558</b>	<b>1,058,767</b>	<b>1,097,766</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	3.1	715,460	674,249	670,876	623,100
Depreciation and amortisation	3.2	140,133	127,279	122,471	111,046
Repairs and maintenance	3.3	14,915	14,852	14,730	14,614
Borrowing costs	4	17,986	12,385	15,847	10,184
Impairment of assets	3.4	2,219	261	2,159	217
Losses on disposal of assets	5	68	349	-	413
Deferred superannuation expense	3.1	-	106	-	106
Other expenses	3.5	289,948	324,352	275,759	310,487
<b>Total expenses from continuing operations</b>		<b>1,180,729</b>	<b>1,153,833</b>	<b>1,101,842</b>	<b>1,070,167</b>
<b>Net result before income tax from continuing operations</b>		<b>(50,455)</b>	<b>15,725</b>	<b>(43,075)</b>	<b>27,599</b>
Income tax expense	6	124	81	-	-
<b>Net result from continuing operations (after tax)</b>		<b>(50,579)</b>	<b>15,644</b>	<b>(43,075)</b>	<b>27,599</b>
<b>Net result attributable to members of the University of Technology Sydney</b>		<b>(50,579)</b>	<b>15,644</b>	<b>(43,075)</b>	<b>27,599</b>
Net result attributable to members from:					
continuing operations		(50,579)	15,644	(43,075)	27,599
<b>Total</b>		<b>(50,579)</b>	<b>15,644</b>	<b>(43,075)</b>	<b>27,599</b>

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

# Statement of comprehensive income

for the year ended 31 December 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Net result after income tax for the period</b>		(50,579)	15,644	(43,075)	27,599
Retrospective changes due to adoption of AASB 9	11	-	-	-	-
Retrospective changes due to adoption of AASB 15	23 (d)	-	(24,445)	-	(24,445)
Retrospective changes due to adoption of AASB 16	23 (d)	-	4,464	-	4,423
Total retrospective changes		-	(19,981)	-	(20,022)
<b>Items that will be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	23 (b)	(278)	(54)	-	-
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	23 (b)	-	-	-	-
Gain/(loss) on cash flow hedges, net of tax	23 (b)	173	589	173	589
<b>Total items that will be reclassified to profit or loss</b>		(105)	535	173	589
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation of property, plant and equipment, net of tax	23 (b)	48,299	36,634	48,299	36,634
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	23 (b)	10,418	18,026	10,418	18,026
Net actuarial gains/(losses) recognised in respect of defined benefit plans	25	(207)	(80)	(207)	(80)
<b>Total items that will not be reclassified to profit or loss</b>		58,510	54,580	58,510	54,580
<b>Total comprehensive income attributable to members of the University of Technology Sydney</b>		<b>7,826</b>	<b>50,778</b>	<b>15,608</b>	<b>62,746</b>
Total comprehensive income attributable to members from:					
continuing operations		7,826	50,778	15,608	62,746
<b>Total</b>		<b>7,826</b>	<b>50,778</b>	<b>15,608</b>	<b>62,746</b>

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

# Statement of financial position

as at 31 December 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	137,346	146,288	97,055	96,457
Receivables	10	19,069	30,218	17,182	29,403
Contract assets	10	4,223	1,824	4,223	1,824
Other financial assets	11	18,119	18,381	18,119	18,381
Other non-financial assets	12	28,421	26,928	24,358	21,617
Non-current assets classified as held for sale	13	9,425	-	9,425	-
<b>Total current assets</b>		<b>216,603</b>	<b>223,639</b>	<b>170,362</b>	<b>167,682</b>
<b>Non-current assets</b>					
Receivables	10	598,938	636,330	598,938	636,330
Investments accounted for using the equity method	14	5,092	5,829	-	-
Other financial assets	11	65,928	55,210	70,478	59,683
Other non-financial assets	12	653	802	590	802
Property, plant and equipment	15	2,557,917	2,560,348	2,495,835	2,484,770
Intangible assets	16	56,946	45,256	50,710	39,518
<b>Total non-current assets</b>		<b>3,285,474</b>	<b>3,303,775</b>	<b>3,216,551</b>	<b>3,221,103</b>
<b>Total assets</b>		<b>3,502,077</b>	<b>3,527,414</b>	<b>3,386,913</b>	<b>3,388,785</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	17	73,864	88,468	72,073	85,883
Borrowings	18	66,566	26,956	53,857	14,912
Provisions	19	105,259	120,923	99,385	115,427
Other financial liabilities	20	5,103	3,232	5,103	3,232
Other liabilities	21	50,301	71,513	47,869	45,687
Contract liabilities	22	65,569	40,510	47,724	40,510
<b>Total current liabilities</b>		<b>366,662</b>	<b>351,602</b>	<b>326,011</b>	<b>305,651</b>
<b>Non-current liabilities</b>					
Borrowings	18	432,877	444,105	396,728	398,244
Provisions	19	653,194	690,189	646,717	683,041
<b>Total non-current liabilities</b>		<b>1,086,071</b>	<b>1,134,294</b>	<b>1,043,445</b>	<b>1,081,285</b>
<b>Total liabilities</b>		<b>1,452,733</b>	<b>1,485,896</b>	<b>1,369,456</b>	<b>1,386,936</b>
<b>Net assets</b>		<b>2,049,344</b>	<b>2,041,518</b>	<b>2,017,457</b>	<b>2,001,849</b>
<b>Equity</b>					
<b>Parent entity interest</b>					
Reserves	23 (a)	1,016,731	958,119	1,017,733	958,843
Retained earnings	23 (d)	1,032,613	1,083,399	999,724	1,043,006
<b>Total equity</b>		<b>2,049,344</b>	<b>2,041,518</b>	<b>2,017,457</b>	<b>2,001,849</b>

Borrowings include property leased assets captured under AASB 16 Leases.

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 2020

	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>			
<b>Balance at 1 January 2019</b>	<b>902,924</b>	<b>1,087,816</b>	<b>1,990,740</b>
Retrospective changes due to adoption of AASB 15	-	(24,445)	(24,445)
Retrospective changes due to adoption of AASB 16	-	4,464	4,464
<b>Total retrospective changes</b>	<b>-</b>	<b>(19,981)</b>	<b>(19,981)</b>
<b>Balance as restated</b>	<b>902,924</b>	<b>1,067,835</b>	<b>1,970,759</b>
Net result after income tax	-	15,644	15,644
Exchange differences on translation of foreign operations	(54)	-	(54)
Gain/(loss) on financial assets at fair value through OCI	18,026	-	18,026
Gain/(loss) on revaluation of property, plant and equipment	36,634	-	36,634
Gain/(loss) on cash flow hedges	589	-	589
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(80)	(80)
<b>Total comprehensive income</b>	<b>55,195</b>	<b>15,564</b>	<b>70,759</b>
<b>Balance at 31 December 2019</b>	<b>958,119</b>	<b>1,083,399</b>	<b>2,041,518</b>
<b>Balance at 1 January 2020</b>	<b>958,119</b>	<b>1,083,399</b>	<b>2,041,518</b>
Net result after income tax	-	(50,579)	(50,579)
Exchange differences on translation of foreign operations	(278)	-	(278)
Gain/(loss) on financial assets at fair value through OCI	10,418	-	10,418
Gain/(loss) on revaluation of property, plant and equipment	48,299	-	48,299
Gain/(loss) on cash flow hedges	173	-	173
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(207)	(207)
<b>Total comprehensive income</b>	<b>58,612</b>	<b>(50,786)</b>	<b>7,826</b>
<b>Balance at 31 December 2020</b>	<b>1,016,731</b>	<b>1,032,613</b>	<b>2,049,344</b>
<b>Parent</b>			
<b>Balance at 1 January 2019</b>	<b>903,594</b>	<b>1,035,509</b>	<b>1,939,103</b>
Retrospective changes due to adoption of AASB 15	-	(24,445)	(24,445)
Retrospective changes due to adoption of AASB 16	-	4,423	4,423
<b>Total retrospective changes</b>	<b>-</b>	<b>(20,022)</b>	<b>(20,022)</b>
<b>Balance as restated</b>	<b>903,594</b>	<b>1,015,487</b>	<b>1,919,081</b>
Net result after income tax	-	27,599	27,599
Exchange differences on translation of foreign operations	-	-	-
Gain/(loss) on revaluation of available for sale financial assets	18,026	-	18,026
Gain/(loss) on revaluation of property, plant and equipment	36,634	-	36,634
Gain/(loss) on cash flow hedges	589	-	589
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(80)	(80)
<b>Total comprehensive income</b>	<b>55,249</b>	<b>27,519</b>	<b>82,768</b>
<b>Balance at 31 December 2019</b>	<b>958,843</b>	<b>1,043,006</b>	<b>2,001,849</b>
<b>Balance at 1 January 2020</b>	<b>958,843</b>	<b>1,043,006</b>	<b>2,001,849</b>
Retrospective changes due to adoption of AASB 15	-	-	-
Retrospective changes due to adoption of AASB 16	-	-	-
<b>Total retrospective changes</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Statement of changes in equity (continued)

for the year ended 31 December 2020

	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Balance as restated</b>	<b>958,843</b>	<b>1,043,006</b>	<b>2,001,849</b>
Net result after income tax	-	(43,075)	(43,075)
Exchange differences on translation of foreign operations	-	-	-
Gain/(loss) on financial assets at fair value through OCI	10,418	-	10,418
Gain/(loss) on revaluation of property, plant and equipment	48,299	-	48,299
Gain/(loss) on cash flow hedges	173	-	173
Net actuarial gains (losses) recognised in respect of defined benefit plans	-	(207)	(207)
<b>Total comprehensive income</b>	<b>58,890</b>	<b>(43,282)</b>	<b>15,608</b>
<b>Balance at 31 December 2020</b>	<b>1,017,733</b>	<b>999,724</b>	<b>2,017,457</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 2020

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants	2.1	558,877	513,843	531,855	496,749
OS-Help (net)	33	7,575	(319)	7,575	(319)
State government grants received	2.2	7,000	3,554	7,000	3,554
Local government grants received	2.2	1,208	1,409	1,208	1,409
HECS-HELP – student payments		17,911	18,992	17,911	18,992
Receipts from student fees and other customers		561,325	676,452	524,425	627,717
Dividends received		4,694	2,700	4,694	2,700
Interest received		1,885	5,149	1,584	3,884
Payments to suppliers and employees (inclusive of goods and services tax)		(1,058,411)	(1,033,318)	(1,000,178)	(965,306)
Interest and other costs of finance		(17,320)	(9,138)	(15,262)	(6,939)
Income taxes paid		(124)	(6)	-	-
Short-term lease payments		(406)	1,048	(406)	(1,048)
Lease payments for leases of low-value assets		(1,488)	(908)	(1,488)	(908)
<b>Net cash provided by/(used in) operating activities</b>	<b>32</b>	<b>82,726</b>	<b>179,458</b>	<b>78,918</b>	<b>180,485</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment	5	196	126	196	43
Proceeds from sale of financial assets		-	848	-	848
Payments for financial assets		(377)	(1,849)	(377)	(1,849)
Payments for property, plant and equipment		(108,417)	(229,746)	(105,341)	(223,379)
<b>Net cash provided by/(used in) investing activities</b>		<b>(108,598)</b>	<b>(230,621)</b>	<b>(105,522)</b>	<b>(224,337)</b>
<b>Cash flows from financing activities</b>					
Proceeds from lease incentives		-	12,500	-	12,500
Repayment of borrowings		40,000	-	40,000	-
Payment of capitalised borrowing costs		(796)	(8,678)	(796)	(8,678)
Repayment of leases		(22,274)	(20,142)	(12,002)	(11,212)
<b>Net cash provided by/(used in) financing activities</b>		<b>16,930</b>	<b>(16,320)</b>	<b>27,202</b>	<b>(7,390)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(8,942)</b>	<b>(67,483)</b>	<b>598</b>	<b>(51,242)</b>
Cash and cash equivalents at the beginning of the financial year		146,288	213,771	96,457	147,699
<b>Cash and cash equivalents at end of the financial year</b>	<b>9</b>	<b>137,346</b>	<b>146,288</b>	<b>97,055</b>	<b>96,457</b>
<b>Financing arrangements</b>	<b>18(b)</b>				
<b>Non-cash financing and investing activities</b>	<b>15</b>	<b>10,556</b>	<b>20,504</b>	<b>9,260</b>	<b>13,603</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 for the removal of certain transitional notes which were required in 2019 due to the adoption of the following standards:

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income of Not-for-Profit Entities, and
- AASB 16 Leases.

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 14 April 2021.

### (a) COVID-19 disclosures

COVID-19, an infectious disease caused by a new virus, was declared a worldwide pandemic by the World Health Organization (WHO) on 11 March 2020. The measures to slow the spread of COVID-19 have had a significant impact on the university result predominantly in relation to international student fee income. In addition the university, in response to the pandemic, instigated a number of measures to minimise the risks of COVID-19 on the university's staff and students such as working from home, conducting courses online and increased cleaning of public spaces on campus. The below are the major COVID-19 related issues which have been considered when preparing the 2020 statutory accounts.

- **Going concern:** The university has assessed its ability to continue operations due to decreased revenue from international students and has taken measures to limit the financial impact. Those measures include the obtaining of an additional \$100 million revolving debt facility and successfully implementing a voluntary separation program for staff which will reduce future employee benefit costs for the university.
- **Land and buildings:** The university has obtained an updated valuation from Colliers International in December 2020 for its land, buildings and infrastructure which has indicated no impairment on the total property portfolio, compared to the previous year.
- **Revenue:** The major impact to the university's revenue stream was mainly international student fees, which declined 9% or \$37.7 million from 2019 levels. Student housing rental income has also been impacted, declining by \$8 million or 40% from 2019. In addition Foundation Studies (included in other domestic course fees and charges) declined by \$9 million, however, there was a corresponding decrease in management fees payable to a subsidiary to administer the course. There was no other major revenue impact from the pandemic in 2020.
- **Impairment - Receivables:** The university has reviewed outstanding receivable balances and assessed payment by third parties due to the pandemic, this has resulted in an increase of the expected credit losses relative to prior years.

### (b) Basis of preparation

These 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 2020 Reporting Period issued by the Commonwealth Department of Education
- the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015
- the Higher Education Support Act 2003.

The university 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 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.

The preparation of financial statements in conformity with the Australian equivalents to International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University of Technology Sydney'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 using either the net asset method, capitalisation of earnings 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 2%. The discount rate used is based on yields reported by the Reserve Bank of Australia on zero-coupon

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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.

**(c) 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
- Insearch Global Pty Ltd, a controlled entity of Insearch Limited
- Insearch Lanka PVT, a controlled entity of Insearch Global Pty Limited
- accessUTS 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
- UTS Research and Innovation Institute (Shenzhen) Co 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 university 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 university controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

**(d) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the university'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) University companies**

The results and financial position of all the university's 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.

**(e) Revenue recognition**

In accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, the operating and research grants provided by the government under the Higher Education Support Act 2003 are considered to be contracts with customers with measurable performance obligations and are recognised in the year those performance obligations are satisfied. The below have been recognised as revenue as per the following criteria:

- Funding received in relation to the Commonwealth Grants Scheme and Higher Loan Schemes is considered to be revenue arising from the provision of a service and has been recognised as the service is provided to the students.
- Funding received from Australian Research Council (ARC) is recognised as per AASB 15 Revenue from Contracts with Customers as specific measurable performance obligations exist. Revenue is recognised over time as the service is being provided.
- Funding received from National Health and Medical Research Council (NHMRC) (excluding postgraduate scholarships) is recognised as per AASB 15 Revenue from Contracts with Customers as specific measurable performance obligations exist. Revenue is recognised over time as the service is being provided. NHMRC amounts received for postgraduate scholarships are for the benefit of the student and are recognised under AASB 9 Financial Instruments.
- Funding received from the Department of Education in relation to the Research Training Program and Research Support Program is recognised under AASB 1058 Income of Not-for-Profit Entities as no specific measurable performance obligations exist. Revenue is recognised when the university gains control of the funds.

- Revenue from student fees is recognised under AASB 15 Revenue from Contracts with Customers and is recognised as revenue as the course is delivered to the students.
- Investment income is recognised under AASB 15 Revenue from Contracts with Customers and is recognised as revenue as the interest accrues.
- Revenue from sales or the provision of services including consultancy and contract revenue is recognised under AASB 15 Revenue from Contracts with Customers and is recognised as revenue in the period in which the goods are supplied or the services provided.
- Donations are recognised under AASB 1058 Income of Not-for-Profit Entities. Revenue is recognised when the university gains control of the funds.

**(f) 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 university, 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.

**(g) Leases**

The university leases a range of assets and accounts for these as either leases and capitalised in accordance with the requirements of AASB 16 Leases or operating and expensed to the income statement.

Leases in excess of 12 months are capitalised as right-of-use asset per the requirements of AASB 16 Leases.

Leases, except for certain low value leases or those with a term of less than 12 months, are capitalised at the inception of the lease at the present value of the minimum lease payments discounted using the university's weighted average incremental borrowing rate. 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 the lease arrangement are depreciated over the shorter of the asset's useful life and the lease term.

Payments made under leases (net of any incentives received from the lessor) which do not fall under AASB 16 Leases 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. Details of leased assets are provided in note 15.

**(h) 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 university'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.

**(i) 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.

**(j) Cash and cash equivalents**

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

**(k) 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.

Contract assets represent the capitalised costs of fulfilling a contract with a customer where the revenue recognition is at a point in time.

**(l) Inventories**

The university holds no inventory.

**(m) 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.

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

The university classifies its investments in the following categories:

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

The university 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 university 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.

**(o) Derivatives**

At the date of initial application of AASB 9 Financial Liabilities 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 university 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 university are disclosed in note 34.

**(p) Fair value measurement**

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

The university 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 university 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 university 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.

**(q) 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 are 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 university 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% and 4%	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
Right-of-use assets	4% to 47%	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.

**(r) 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 university 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 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.

**(s) Unfunded superannuation**

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA), now known as the Department of Education, the effects of the unfunded superannuation liabilities of the university 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 State Government to meet the unfunded liability for the university'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 Higher Education Support Act 2003 and a memorandum of understanding signed by the federal government and the New South Wales 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 university.

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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 governments. 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 Higher Education Support Act 2003 and a memorandum of understanding signed by the federal government and the New South Wales governments on 5 December 2014. No receivable for such amounts is recognised until recovery is considered virtually certain.

**(t) 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 2020 reporting period. These amounts are usually settled on 30 day terms.

**(u) 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 university 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) drawdown of CBA revolving debt facility and lease liabilities. Details of the borrowings are listed in note 34. In addition to the borrowings, the university has a revolving debt facility of \$250 million of which \$40 million has been drawdown as at 31 December 2020.

**(v) 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.

**(w) Provisions**

Provisions are recognised when the university 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.

**(x) Employee benefits**

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

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within twelve 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. 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 university 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 2020 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 2019 by Deloitte.

**(iii) Superannuation**

Employees of the university are entitled to benefits on retirement, disability or death from the university's superannuation plans. The university 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 AASB 119 Employee Benefits 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 university 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.

**(y) Contract liabilities**

A contract liability is recognised when income is received before the performance obligation has been satisfied. In these situations the university recognises a liability until the performance obligation is satisfied.

**(z) 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.

**(aa) Associates**

Associates are all entities over which the university has significant influence but not control, generally accompanying a shareholding of between 20% and 50% 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 university'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 university's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the university does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

**(ab) 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.

**(ac) Comparative amounts**

Where necessary, the classifications of 2019 comparative figures have been adjusted to conform with the mandatory presentation for the current year. These reclassifications have no effect on the 2019 operating result (or the financial position) of the university.

**(ad) 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 AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is 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.

**(ae) 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 university's statutory accounts. The university has not exercised the right to early adopt any new or revised accounting standard.

**(af) Changes in accounting policy**

There have been no changes to accounting policy in the 2020 year apart from the adoption of certain mandatory standards.

**(ag) Rounding of amounts**

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

	Sources of funding 2020										Total income of not for profit	
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income		
<b>2. Revenue and income from continuing operations</b>												
<b>(a) Disaggregation</b>												
Revenue from continuing operations												
Consolidated												
Australian Government financial assistance including Australian Government loan programs (HELP)												
(a) Commonwealth Grant Scheme and Other Grants												
Commonwealth Grant Scheme <sup>1</sup>	216,902	-	-	-	-	-	-	-	216,902	-	-	216,902
Indigenous Student Success Program	-	-	-	-	-	-	-	-	-	1,704	-	1,704
Access and Participation Fund	3,347	-	-	-	-	-	-	-	3,347	-	-	3,347
Disability Performance Funding	543	-	-	-	-	-	-	-	543	-	-	543
Promotion of Excellence in Learning and Teaching	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Commonwealth Grant Scheme and Other Grants</b>	<b>220,792</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,792</b>	<b>1,704</b>	<b>-</b>	<b>222,496</b>
(b) Higher Education Loan Programs (HELP)												
HECS-HELP	-	184,850	-	-	-	-	-	-	184,850	-	-	184,850
FEE-HELP	-	70,785	-	-	-	-	-	-	70,785	-	-	70,785
SA-HELP	-	3,796	-	-	-	-	-	-	3,796	-	-	3,796
<b>Total Higher Education Loan Programs</b>	<b>-</b>	<b>259,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>259,431</b>	<b>-</b>	<b>-</b>	<b>259,431</b>
(c) EDUCATION Research												
Research Training Program <sup>2</sup>	-	-	-	-	-	-	-	-	-	18,603	-	18,603
Research Support Program <sup>3</sup>	-	-	-	-	-	-	-	-	-	14,408	-	14,408
<b>Total education research grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,011</b>	<b>-</b>	<b>33,011</b>

Sources of funding 2020											
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income	Total income of not for profit
<b>(d) Australian Research Council</b>											
Discovery	10,915	-	-	-	-	-	-	-	10,915	-	10,915
Linkages	3,008	-	-	-	-	-	-	-	3,008	-	3,008
Networks and Centres	538	-	-	-	-	-	-	-	538	-	538
<b>Total ARC</b>	<b>14,461</b>	-	-	-	-	-	-	-	<b>14,461</b>	-	<b>14,461</b>
<b>(e) Other Capital Funding</b>											
Linkage Infrastructure, Equipment and Facilities grant	-	-	-	-	-	-	-	-	-	1,055	1,055
<b>Total other capital funding</b>	-	-	-	-	-	-	-	-	-	<b>1,055</b>	<b>1,055</b>
<b>(f) Other Australian Government financial assistance</b>											
Non-capital	-	-	-	-	-	-	-	-	-	-	-
National Health and Medical Research Council	-	-	-	-	-	-	-	-	-	-	-
Department of Education	-	-	-	-	-	-	-	-	-	-	-
Cancer Australia	-	-	-	-	-	-	-	-	-	-	-
Department of Health and Ageing	-	-	-	-	-	-	-	-	-	-	-
CSIRO	-	-	-	-	-	-	-	-	-	-	-
Monash University	-	-	-	-	-	-	-	-	-	-	-
ARENA	-	-	-	-	-	-	-	-	-	-	-
University of New South Wales	-	-	-	-	-	-	-	-	-	-	-
Department of Foreign Affairs and Trade	-	-	-	-	-	-	-	-	-	-	-
Other	27,894	-	-	-	-	-	-	-	27,894	-	27,894
<b>Total non-capital Other Australian Government financial assistance</b>	<b>27,894</b>	-	-	-	-	-	-	-	<b>27,894</b>	-	<b>27,894</b>
<b>Total Australian Government financial assistance</b>	<b>263,147</b>	<b>259,431</b>	-	-	-	-	-	-	<b>522,578</b>	<b>35,770</b>	<b>558,348</b>
<b>State and Local Government financial assistance</b>											
Non-capital	-	-	-	-	-	-	-	-	-	-	-
New South Wales State Government	-	-	6,455	-	-	-	-	-	6,455	-	6,455
Other State Governments	-	-	545	-	-	-	-	-	545	-	545

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	Sources of funding 2020										Total income of not for profit
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income	
Local Government	-	-	1,208	-	-	-	-	-	1,208	-	1,208
Total non-capital	-	-	8,208	-	-	-	-	-	8,208	-	8,208
Capital											
New South Wales State Government	-	-	-	-	-	-	-	-	-	-	-
Total capital	-	-	-	-	-	-	-	-	-	-	-
<b>Total state and local government financial assistance</b>	-	-	<b>8,208</b>	-	-	-	-	-	<b>8,208</b>	-	<b>8,208</b>
HECS-HELP - Student payments	-	-	-	17,911	-	-	-	-	17,911	-	17,911
<b>Fees and charges</b>											
<b>Course fees and charges</b>											
Fee-paying onshore overseas students	-	-	-	407,797	-	-	-	-	407,797	-	407,797
Fee-paying offshore overseas students	-	-	-	2,892	-	-	-	-	2,892	-	2,892
Continuing education	-	-	-	3,988	-	-	-	-	3,988	-	3,988
Fee-paying domestic postgraduate students	-	-	-	16,658	-	-	-	-	16,658	-	16,658
Fee-paying domestic undergraduate students	-	-	-	717	-	-	-	-	717	-	717
Other domestic course fees and charges	-	-	-	14,251	-	-	-	-	14,251	-	14,251
<b>Total course fees and charges</b>	-	-	-	<b>446,303</b>	-	-	-	-	<b>446,303</b>	-	<b>446,303</b>
<b>Other non course fees and charges</b>											
Library charges	-	-	-	312	-	-	-	-	312	-	312
Student accommodation charges	-	-	-	113	-	-	-	-	113	-	113
Student services and amenities fee from students	-	-	-	6,417	-	-	-	-	6,417	-	6,417
Medical fees	-	-	-	810	-	-	-	-	810	-	810
English testing centre	-	-	-	380	-	-	-	-	380	-	380
Other fees and charges	-	-	-	156	-	-	-	-	156	-	156
Total other non course fees and charges	-	-	-	8,188	-	-	-	-	8,188	-	8,188
<b>Total fees and charges</b>	-	-	-	<b>454,491</b>	-	-	-	-	<b>454,491</b>	-	<b>454,491</b>

Sources of funding 2020											
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income	Total income of not for profit
<b>Investment income (net gains/ losses)</b>											
Interest											
Debt instruments at fair value through profit or loss	-	-	-	-	1,438	-	-	-	1,438	-	1,438
<b>Dividends</b>											
Equity instruments designated at fair value through OCI	-	-	-	-	6,357	-	-	-	6,357	-	6,357
<b>Total interest and dividends</b>	-	-	-	-	7,795	-	-	-	7,795	-	7,795
<b>Net fair value gains/losses</b>											
Gain/(loss) on financial assets designated at fair value through profit or loss	-	-	-	-	(242)	-	-	-	(242)	-	(242)
<b>Total investment income (net gains/ losses)</b>	-	-	-	-	7,553	-	-	-	7,553	-	7,553
<b>Royalties, trademarks and licenses</b>	-	-	-	-	26	-	-	-	26	-	26
<b>Consultancy and contracts</b>											
Contract research	-	-	-	-	30,051	-	-	-	30,051	-	30,051
Consultancy	-	-	-	-	6,001	-	-	-	6,001	-	6,001
<b>Total consultancy and contracts</b>	-	-	-	-	36,052	-	-	-	36,052	-	36,052
<b>Other revenue and income</b>											
<b>Other revenue</b>											
Contribution from Insearch Limited	-	-	-	-	-	-	-	-	-	148	148
Donations and bequests	-	-	-	-	-	-	-	-	-	15,340	15,340
Foreign exchange gain/(loss) (net) (note (a))	-	-	-	-	(10)	-	-	-	(10)	-	(10)
Non-government grants	-	-	-	-	6,075	-	-	-	6,075	-	6,075
Scholarships and prizes	-	-	-	-	-	-	-	-	-	2,689	2,689
Services	-	-	-	-	2,461	-	-	-	2,461	-	2,461
Sponsorships	-	-	-	-	-	-	-	-	-	1,753	1,753
Other	-	-	-	-	3,660	-	-	-	3,660	-	3,660
<b>Total other revenue</b>	-	-	-	-	12,186	-	-	-	12,186	19,930	32,116
<b>Other Income</b>											

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	Sources of funding 2020										
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB1058 income	Total income of not for profit
Hire and rental	-	-	-	-	13,000	-	-	-	13,000	-	13,000
Profit/(loss) on sale of shares	-	-	-	-	-	-	-	-	-	-	-
Contributions for salary from other entities	-	-	-	-	2,665	-	-	-	2,665	-	2,665
Sale of goods	-	-	-	-	238	-	-	-	238	-	238
<b>Total other income</b>	-	-	-	-	<b>15,903</b>	-	-	-	<b>15,903</b>	-	<b>15,903</b>
<b>Total other revenue and income</b>	-	-	-	-	<b>28,089</b>	-	-	-	<b>28,089</b>	<b>19,930</b>	<b>48,019</b>
Gains on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of profit or (loss) on investments accounted for using the equity method	-	-	-	-	-	-	-	(334)	(334)	-	(334)
<b>Total revenue from continuing operations</b>	<b>263,147</b>	<b>259,431</b>	<b>8,208</b>	<b>472,402</b>	<b>71,720</b>	-	-	<b>(334)</b>	<b>1,074,574</b>	<b>55,700</b>	<b>1,130,274</b>

Sources of funding 2020											
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income	Total income of not for profit entities
<b>Parent</b>											
<b>Australian Government financial assistance including Australian Government loan programs (HELP)</b>											
<b>(a) Commonwealth Grant Scheme and Other Grants</b>											
Commonwealth Grant Scheme#	216,902	-	-	-	-	-	-	-	216,902	-	216,902
Indigenous Student Success Program	-	-	-	-	-	-	-	-	-	1,704	1,704
Access and Participation Fund	3,347	-	-	-	-	-	-	-	3,347	-	3,347
Disability Performance Funding	-	-	-	-	-	-	-	-	-	543	543
Promotion of Excellence in Learning and Teaching	-	-	-	-	-	-	-	-	-	-	-
<b>Total Commonwealth Grant Scheme and Other Grants</b>	<b>220,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,249</b>	<b>2,247</b>	<b>222,496</b>
<b>(b) Higher Education Loan Programs (HELP)</b>											
HECS-HELP	-	184,850	-	-	-	-	-	-	184,850	-	184,850
FEE-HELP	-	52,850	-	-	-	-	-	-	52,850	-	52,850
SA-HELP	-	3,796	-	-	-	-	-	-	3,796	-	3,796
<b>Total Higher Education Loan Programs</b>	<b>-</b>	<b>241,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241,496</b>	<b>-</b>	<b>241,496</b>
<b>(c) EDUCATION Research</b>											
Research Training Program <sup>2</sup>	-	-	-	-	-	-	-	-	-	18,603	18,603
Research Support Program <sup>3</sup>	-	-	-	-	-	-	-	-	-	14,408	14,408
<b>Total education research grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,011</b>	<b>33,011</b>
<b>(d) Australian Research Council</b>											
Discovery	10,915	-	-	-	-	-	-	-	10,915	-	10,915
Linkages	3,008	-	-	-	-	-	-	-	3,008	-	3,008
Networks and centres	538	-	-	-	-	-	-	-	538	-	538
<b>Total ARC</b>	<b>14,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,461</b>	<b>-</b>	<b>14,461</b>

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	Sources of funding 2020										Total income of not for profit entities	
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income		
<b>(e) Other capital funding</b>												
Linkage Infrastructure, Equipment and Facilities grant	-	-	-	-	-	-	-	-	-	1,055	1,055	1,055
<b>Total other capital funding</b>	-	-	-	-	-	-	-	-	-	<b>1,055</b>	<b>1,055</b>	<b>1,055</b>
<b>(f) Other Australian Government financial assistance</b>												
Non-capital	-	-	-	-	-	-	-	-	-	-	-	-
National Health and Medical Research Council	-	-	-	-	-	-	-	-	-	-	-	-
Department of Education	-	-	-	-	-	-	-	-	-	-	-	-
Cancer Australia	-	-	-	-	-	-	-	-	-	-	-	-
Department of Health and Ageing	-	-	-	-	-	-	-	-	-	-	-	-
CSIRO	-	-	-	-	-	-	-	-	-	-	-	-
Monash University	-	-	-	-	-	-	-	-	-	-	-	-
ARENA	-	-	-	-	-	-	-	-	-	-	-	-
University of New South Wales	-	-	-	-	-	-	-	-	-	-	-	-
Department of Foreign Affairs and Trade	-	-	-	-	-	-	-	-	-	-	-	-
Other	18,807	-	-	-	-	-	-	-	-	18,807	-	18,807
<b>Total non-capital Other Australian Government financial assistance</b>	<b>18,807</b>	-	-	-	-	-	-	-	-	<b>18,807</b>	-	<b>18,807</b>
<b>Total Australian Government financial assistance</b>	<b>253,517</b>	<b>241,496</b>	-	-	-	-	-	-	-	<b>495,013</b>	<b>36,313</b>	<b>531,326</b>
<b>State and local government financial assistance</b>												
Non-capital												
New South Wales State Government	-	-	6,455	-	-	-	-	-	-	6,455	-	6,455
Other State Governments	-	-	545	-	-	-	-	-	-	545	-	545
Local Government	-	-	1,208	-	-	-	-	-	-	1,208	-	1,208
<b>Total non-capital</b>	<b>-</b>	<b>-</b>	<b>8,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,208</b>	<b>-</b>	<b>8,208</b>

Sources of funding 2020											
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income	Total income of not for profit entities
Capital											
New South Wales State Government	-	-	-	-	-	-	-	-	-	-	-
Total capital	-	-	-	-	-	-	-	-	-	-	-
<b>Total state and local government financial assistance</b>	-	-	<b>8,208</b>	-	-	-	-	-	<b>8,208</b>	-	<b>8,208</b>
HECS-HELP - Student payments	-	-	-	17,911	-	-	-	-	17,911	-	17,911
<b>Fees and charges</b>											
<b>Course fees and charges</b>											
Fee-paying onshore overseas students	-	-	-	363,922	-	-	-	-	363,922	-	363,922
Fee-paying offshore overseas students	-	-	-	2,892	-	-	-	-	2,892	-	2,892
Continuing education	-	-	-	3,386	-	-	-	-	3,386	-	3,386
Fee-paying domestic postgraduate students	-	-	-	16,658	-	-	-	-	16,658	-	16,658
Fee-paying domestic undergraduate students	-	-	-	717	-	-	-	-	717	-	717
Other domestic course fees and charges	-	-	-	14,060	-	-	-	-	14,060	-	14,060
<b>Total course fees and charges</b>	-	-	-	<b>401,635</b>	-	-	-	-	<b>401,635</b>	-	<b>401,635</b>
<b>Other non course fees and charges</b>											
Library charges	-	-	-	1,255	-	-	-	-	1,255	-	1,255
Student accommodation charges	-	-	-	-	-	-	-	-	-	-	-
Student services and amenities fee from students	-	-	-	6,417	-	-	-	-	6,417	-	6,417
Medical fees	-	-	-	875	-	-	-	-	875	-	875
English testing centre	-	-	-	380	-	-	-	-	380	-	380
Other fees and charges	-	-	-	-	-	-	-	-	-	-	-
Total other non course fees and charges	-	-	-	8,927	-	-	-	-	8,927	-	8,927
<b>Total fees and charges</b>	-	-	-	<b>410,562</b>	-	-	-	-	<b>410,562</b>	-	<b>410,562</b>

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	Sources of funding 2020										Total income of not for profit entities	
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB1058 income		
<b>Investment income (net gains/ losses)</b>												
<b>Interest</b>												
Debt instruments at fair value through profit or loss	-	-	-	-	1,196	-	-	-	1,196	-	-	1,196
<b>Dividends</b>												
Equity instruments designated at fair value through OCI	-	-	-	-	6,357	-	-	-	6,357	-	-	6,357
<b>Total interest and dividends</b>	-	-	-	-	<b>7,553</b>	-	-	-	<b>7,553</b>	-	-	<b>7,553</b>
<b>Net fair value gains/losses</b>												
Gain/(loss) on financial assets designated at fair value through profit or loss	-	-	-	-	(242)	-	-	-	(242)	-	-	(242)
<b>Total investment income (net gains/ losses)</b>	-	-	-	-	<b>7,311</b>	-	-	-	<b>7,311</b>	-	-	<b>7,311</b>
<b>Royalties, trademarks and licenses</b>												
Royalties, trademarks and licenses	-	-	-	-	23	-	-	-	23	-	-	23
<b>Consultancy and contracts</b>												
Contract research	-	-	-	-	29,991	-	-	-	29,991	-	-	29,991
Consultancy	-	-	-	-	6,189	-	-	-	6,189	-	-	6,189
<b>Total consultancy and contracts</b>	-	-	-	-	<b>36,180</b>	-	-	-	<b>36,180</b>	-	-	<b>36,180</b>
<b>Other revenue and income</b>												
<b>Other revenue</b>												
Contribution from Insearch Limited	-	-	-	-	-	-	-	-	-	148	-	148
Donations and bequests	-	-	-	-	-	-	-	-	-	15,488	-	15,488
Foreign exchange gain/(loss) (net) (note (a))	-	-	-	-	56	-	-	-	56	-	-	56
Non-government grants	-	-	-	-	6,075	-	-	-	6,075	-	-	6,075
Scholarships and prizes	-	-	-	-	-	-	-	-	-	2,689	-	2,689
Services	-	-	-	-	1,285	-	-	-	1,285	-	-	1,285
Sponsorships	-	-	-	-	-	-	-	-	-	1,756	-	1,756
Other	-	-	-	-	3,759	-	-	-	3,759	-	-	3,759
<b>Total other revenue</b>	-	-	-	-	<b>11,175</b>	-	-	-	<b>11,175</b>	<b>20,081</b>	-	<b>31,256</b>

Sources of funding 2020											
	Australian Government financial assistance	Higher Education Loan Program (HELP)	State and local government financial assistance	Student fees	Commercial arrangements	Donations including corporate sponsorship	Bequests	Others	Total revenue from contracts with customers	AASB 1058 income	Total income of not for profit entities
<b>Other income</b>											
Hire and rental	-	-	-	-	12,992	-	-	-	12,992	-	12,992
Profit/(loss) on sale of shares	-	-	-	-	-	-	-	-	-	-	-
Contributions for salary from other entities	-	-	-	-	2,665	-	-	-	2,665	-	2,665
Sale of goods	-	-	-	-	238	-	-	-	238	-	238
<b>Total other income</b>	-	-	-	-	<b>15,895</b>	-	-	-	<b>15,895</b>	-	<b>15,895</b>
<b>Total other revenue and income</b>	-	-	-	-	<b>27,070</b>	-	-	-	<b>27,070</b>	<b>20,081</b>	<b>47,151</b>
Gains on disposal of assets	-	-	-	-	-	-	-	95	95	-	95
<b>Total revenue from continuing operations</b>	<b>253,517</b>	<b>241,496</b>	<b>8,208</b>	<b>4,28,473</b>	<b>70,584</b>	-	-	<b>95</b>	<b>1,002,373</b>	<b>56,394</b>	<b>1,058,767</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<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>		216,902	213,962	216,902	213,962
Indigenous Student Success Program		1,704	1,641	1,704	1,641
Access and Participation Fund		3,347	3,474	3,347	3,474
Disability Performance Funding		543	483	543	483
Promotion of Excellence in Learning and Teaching		-	-	-	-
<b>Total Commonwealth Grant Scheme and other grants</b>		<b>222,496</b>	<b>219,560</b>	<b>222,496</b>	<b>219,560</b>
<b>(b) Higher education loan programs (HELP)</b>					
	33.2				
HECS-HELP		184,850	169,616	184,850	169,616
FEE-HELP		70,785	62,128	52,850	45,034
SA-HELP		3,796	3,510	3,796	3,510
<b>Total higher education loan programs</b>		<b>259,431</b>	<b>235,254</b>	<b>241,498</b>	<b>218,160</b>
<b>(c) Education research</b>					
	33.5				
Research Training Program <sup>2</sup>		18,603	17,386	18,603	17,386
Research Support Program <sup>3</sup>		14,408	13,264	14,408	13,264
<b>Total education research grants</b>		<b>33,011</b>	<b>30,650</b>	<b>33,011</b>	<b>30,650</b>
<p>1. Includes the basic CGS grant amount, CGS – Regional Loading, and CGS – Enabling Loading.</p> <p>2. Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.</p> <p>3. Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.</p>					
<b>(d) Australian Research Council</b>					
	33.3				
Discovery		10,915	9,379	10,915	9,379
Linkages		3,008	2,462	3,008	2,462
Networks and centres		538	239	538	239
<b>Total ARC</b>		<b>14,461</b>	<b>12,080</b>	<b>14,461</b>	<b>12,080</b>
<b>(e) Other capital funding</b>					
	33.4				
Linkage Infrastructure, Equipment and Facilities grant		1,055	1,046	1,055	1,046
<b>Total other capital funding</b>		<b>1,055</b>	<b>1,046</b>	<b>1,055</b>	<b>1,046</b>
<b>(f) Other Australian Government financial assistance</b>					
<b>Non-capital</b>					
Other Australian Government financial assistance		27,894	11,924	18,807	11,924
<b>Total non-capital Other Australian Government financial assistance</b>		<b>27,894</b>	<b>11,924</b>	<b>18,607</b>	<b>11,924</b>
<b>Total Australian Government financial assistance</b>		<b>558,348</b>	<b>510,514</b>	<b>531,326</b>	<b>493,420</b>
<b>Australian Government financial assistance including Australian Government loan programs</b>					
<b>Reconciliation</b>					
Australian Government grants (a+c+d+e+f)		298,917	275,260	289,830	275,260
Higher education loan programs (b)		259,431	235,254	241,496	218,160
<b>Total Australian Government financial assistance</b>		<b>558,348</b>	<b>510,514</b>	<b>531,326</b>	<b>493,420</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(g) Australian Government grants received – cash</b>					
CGS and other education grants		222,680	219,844	222,680	219,844
Higher education loan programs		257,002	233,802	239,067	216,708
Education research		33,011	30,650	33,011	30,650
ARC grants		17,890	15,628	17,890	15,628
Other capital funding		400	1,995	400	1,995
Other Australian Government grants		27,894	11,924	18,807	11,924
<b>Total Australian Government grants received – cash basis</b>		<b>558,877</b>	<b>513,843</b>	<b>531,855</b>	<b>496,749</b>
OS-HELP (net)		7,989	5,618	7,989	5,618
<b>Total Australian Government funding received – cash basis</b>		<b>566,866</b>	<b>519,461</b>	<b>539,844</b>	<b>502,367</b>
<b>2.2 State and local government financial assistance</b>					
<b>Non-capital</b>					
New South Wales State Government		6,455	3,031	6,455	3,031
Other state governments		545	523	545	523
Local government		1,208	1,409	1,208	1,409
<b>Total non-capital</b>		<b>8,208</b>	<b>4,963</b>	<b>8,208</b>	<b>4,963</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>8,208</b>	<b>4,963</b>	<b>8,208</b>	<b>4,963</b>
<b>2.3 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		407,797	472,062	363,922	401,633
Fee-paying offshore overseas students		2,892	3,446	2,892	3,446
Continuing education		3,988	4,529	3,386	3,697
Fee-paying domestic postgraduate students		16,658	17,318	16,658	17,318
Fee-paying domestic undergraduate students		717	803	717	803
Other domestic course fees and charges		14,251	25,200	14,060	24,416
<b>Total course fees and charges</b>		<b>446,303</b>	<b>523,358</b>	<b>401,635</b>	<b>451,313</b>
<b>Other non-course fees and charges</b>					
Library charges		312	412	1,255	1,665
Student accommodation charges		113	651	-	-
Student services and amenities fee from students	33.8	6,417	6,850	6,417	6,850
Medical fees		810	1,113	875	1,177
English testing centre		380	711	380	711
Other fees and charges		156	424	-	-
<b>Total other non-course fees and charges</b>		<b>8,188</b>	<b>10,161</b>	<b>8,927</b>	<b>10,403</b>
<b>Total fees and charges</b>		<b>454,491</b>	<b>533,519</b>	<b>410,562</b>	<b>461,716</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>2.4 Investment income (net gains/losses)</b>					
Interest					
Debt instruments at fair value through profit or loss		1,438	4,702	1,196	3,613
Dividends					
Equity instruments designated at fair value through OCI		6,357	2,700	6,357	2,700
<b>Total interest and dividends</b>		<b>7,795</b>	<b>7,402</b>	<b>7,553</b>	<b>6,313</b>
Net fair value gains/losses					
Gain/(loss) on financial assets designated at fair value through profit or loss		(242)	3,567	(242)	3,567
<b>Total investment income (net gains/losses)</b>		<b>7,553</b>	<b>10,969</b>	<b>7,311</b>	<b>9,880</b>
<b>2.5 Royalties, trademarks and licences</b>		<b>26</b>	<b>29</b>	<b>23</b>	<b>21</b>
<b>2.6 Consultancy and contracts</b>					
Contract research		30,051	29,460	29,991	29,460
Consultancy		6,001	4,401	6,189	4,633
<b>Total consultancy and contracts</b>		<b>36,052</b>	<b>33,861</b>	<b>36,180</b>	<b>34,093</b>
<b>2.7 Other revenue and income</b>					
<b>Other revenue</b>					
Contribution from Insearch Limited		148	-	148	17,651
Donations and bequests		15,340	9,626	15,488	10,151
Foreign exchange gain/(loss) (net) (note (a))		(10)	58	56	146
Non-government grants		6,075	5,328	6,075	5,328
Scholarships and prizes		2,689	2,683	2,689	2,683
Services		2,461	3,158	1,285	2,611
Sponsorships		1,753	3,177	1,756	3,244
Other		3,660	7,078	3,759	7,154
<b>Total other revenue</b>		<b>32,116</b>	<b>31,108</b>	<b>31,256</b>	<b>48,968</b>
<b>Other income</b>					
Hire and rental		13,000	22,302	12,992	23,358
Profit/(loss) on sale of shares		-	-	-	-
Contributions for salary from other entities		2,665	2,039	2,665	2,039
Sale of goods		238	316	236	316
<b>Total other income</b>		<b>15,903</b>	<b>24,657</b>	<b>15,895</b>	<b>25,713</b>
<b>Total other revenue and income</b>		<b>48,019</b>	<b>55,765</b>	<b>47,151</b>	<b>74,681</b>
<b>(a) Net foreign exchange gain/(loss)</b>					
Net foreign exchange gain/(loss) included in other income for the year		(10)	58	56	146
Net foreign exchange gain/(loss) recognised in operating result before income tax for the year (as either other revenue or expense)		(10)	58	56	146

		Economic entity (Consolidated)	Parent entity (University)
		2020 \$'000	2020 \$'000
<b>2.8 Reconciliation revenue and income</b>			
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	558,348	531,326
Total state and local government financial assistance	2.2	8,208	8,208
Total HECS-HELP – Student payments		17,911	17,911
Total fees and charges	2.3	454,491	410,562
Total investment income (net gains/losses)	2.4	7,553	7,311
Total royalties, trademarks and licences	2.5	26	23
Total consultancy and contracts	2.6	36,052	36,180
Total other revenue and income	2.7	48,019	47,151
Total gains on disposal of assets	5	(68)	95
Share of profit or (loss) on investments accounted for using the equity method	14	(334)	–
<b>Total</b>		<b>1,130,206</b>	<b>1,058,767</b>
Total revenue from contracts with customers as per AASB15	2	1,074,574	1,002,373
Total income of not-for-profit as per AASB1058	2	55,700	56,394
Total revenue and income from continuing operations		1,130,274	1,058,767

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>3. Expenses from continuing operations</b>					
<b>3.1 Employee related expenses</b>					
<b>Academic</b>					
Salaries		286,896	263,799	270,675	244,182
Contributions to superannuation and pension schemes					
Contributions to funded schemes		43,510	42,054	42,152	40,228
Contributions to unfunded schemes		–	–	–	–
Payroll tax		17,824	18,360	16,846	17,147
Workers' compensation		252	2,091	189	1,972
Long service leave expense		7,652	8,849	8,106	8,632
Annual leave		14,901	16,494	14,935	16,626
<b>Total academic</b>		<b>371,035</b>	<b>351,647</b>	<b>352,903</b>	<b>328,787</b>
<b>Non-academic</b>					
Salaries		268,903	246,200	245,767	221,695
Contributions to superannuation and pension schemes					
Contributions to funded schemes		38,046	35,776	36,168	33,726
Contributions to unfunded schemes		–	–	–	–
Payroll tax		15,499	16,146	14,279	14,871
Workers' compensation		270	1,847	167	1,709
Long service leave expense		6,072	6,687	6,229	6,407
Annual leave		15,635	15,946	15,363	15,905
Other		–	–	–	–
<b>Total non-academic</b>		<b>344,425</b>	<b>322,602</b>	<b>317,973</b>	<b>294,313</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Total employee related expenses</b>		<b>715,460</b>	<b>674,249</b>	<b>670,876</b>	<b>623,100</b>
Deferred superannuation expense	25	-	106	-	106
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>		<b>715,460</b>	<b>674,355</b>	<b>670,876</b>	<b>623,206</b>
<b>3.2 Depreciation and amortisation</b>					
<b>Depreciation property, plant and equipment</b>					
Buildings		32,821	28,558	32,821	28,558
Infrastructure		27,913	24,888	27,913	24,888
Right-of-use assets		26,921	25,480	14,787	14,496
Equipment		32,750	29,575	28,612	25,921
Library collection		1,340	1,584	1,340	1,584
Motor vehicles		179	197	101	123
<b>Total depreciation property, plant and equipment</b>		<b>121,924</b>	<b>110,282</b>	<b>105,574</b>	<b>95,570</b>
<b>Amortisation property, plant and equipment</b>					
Leasehold improvements		5,578	4,871	5,578	4,871
Plant and equipment under finance leases		-	-	-	-
<b>Total amortisation property, plant and equipment</b>		<b>5,578</b>	<b>4,871</b>	<b>5,578</b>	<b>4,871</b>
<b>Total depreciation and amortisation property, plant and equipment</b>		<b>127,502</b>	<b>115,153</b>	<b>111,152</b>	<b>100,441</b>
<b>Amortisation intangibles</b>					
Software		11,577	11,342	10,378	9,977
Licences perpetual		941	628	941	628
Patents and trademarks		113	156	-	-
<b>Total amortisation intangibles</b>		<b>12,631</b>	<b>12,126</b>	<b>11,319</b>	<b>10,605</b>
<b>Total depreciation and amortisation</b>		<b>140,133</b>	<b>127,279</b>	<b>122,471</b>	<b>111,046</b>
<b>3.3 Repairs and maintenance</b>					
Buildings		11,488	11,362	11,488	11,362
Plant and equipment		3,427	3,490	3,242	3,252
<b>Total repairs and maintenance</b>		<b>14,915</b>	<b>14,852</b>	<b>14,730</b>	<b>14,614</b>
<b>3.4 Impairment of assets</b>					
Bad debts		148	170	148	170
Increase/(decrease) in provision for doubtful debts		2,071	91	2,011	47
Impairment of intangible assets		-	-	-	-
<b>Total impairment of assets</b>		<b>2,219</b>	<b>261</b>	<b>2,159</b>	<b>217</b>
<b>3.5 Other expenses</b>					
Advertising, marketing and promotional expenses		8,647	12,625	5,314	7,829
Building rent and rates		3,579	3,897	2,530	3,674
Cleaning		12,321	11,005	11,919	10,363
Consultancy		18,848	25,345	16,489	23,430
Contributions other		8,810	11,348	9,396	12,448
Contributions research		14,894	5,528	14,894	5,528

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Entertainment		1,413	6,533	1,365	6,343
Fees and subscriptions		53,876	58,610	57,281	66,341
Heating and lighting		9,739	11,456	9,448	11,099
Insurance		4,374	3,382	4,154	3,229
Laboratory supplies		6,310	6,748	6,310	6,748
Software maintenance		21,078	17,878	18,684	15,547
Minimum lease payments on operating lease rental expenses		1,922	2,469	1,922	2,469
Non-capitalised equipment		7,184	9,680	7,146	9,605
Other expenses		15,488	14,664	15,252	14,806
Postage		304	382	244	250
Printing		346	1,183	289	811
Scholarships, grants and prizes		39,255	40,502	38,854	39,881
Security contract staff		6,496	8,451	6,170	7,858
Stationery		733	1,452	733	1,450
Telecommunications		3,474	3,415	3,087	2,974
Travel and related staff development and training		5,319	26,092	4,820	23,538
Tuition fees		45,538	41,707	39,458	34,266
<b>Total other expenses</b>		<b>289,948</b>	<b>324,352</b>	<b>275,759</b>	<b>310,487</b>
<b>4. Borrowing costs</b>					
Interest expense on financial liabilities at amortised cost		14,494	12,547	12,355	12,547
Finance charges in respect of finance leases		-	-	-	-
Interest expense on lease liabilities		4,011	6,084	4,011	3,883
		18,505	18,631	16,366	16,430
Less: amount capitalised		(519)	(6,246)	(519)	(6,246)
<b>Total borrowing costs expensed</b>		<b>17,986</b>	<b>12,385</b>	<b>15,847</b>	<b>10,184</b>
<b>5. Sales of assets</b>					
<b>Proceeds from sale</b>					
Property, plant and equipment		196	126	196	43
<b>Less carrying amount of assets sold</b>					
Property, plant and equipment		264	475	101	456
Total carrying amount of assets		264	475	101	456
<b>Net gain or (loss) on sale of assets</b>		<b>(68)</b>	<b>(349)</b>	<b>95</b>	<b>(413)</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 2020 includes a loss of \$0 (2019: \$0) on disposal of buildings.					
<b>6. Income tax</b>					
		124	81		
The income tax expense includes tax liabilities for overseas entities in China.					

## **7. Key management personnel disclosures**

### **(a) Names of Council members**

The following persons were Council members of the University of Technology Sydney during the year:

#### **University**

Ms Catherine Livingstone AO	Dr Ron Sandland AM (ended October 2020)
Ms Michelene Collopy	Mr Peter Bennett
Mr Tony Tobin	Professor Joanne Gray
Professor Attila Brungs	Dr John Laker AO
Dr Sue Barrell	Mr Aden Ridgeway
Distinguished Professor Larissa Behrendt AO	Associate Professor Sarah Kaine (ended October 2020)
Ms Alicia Pearce (ended October 2020)	Mr Priyanshu Bhardwaj (ended March 2020)
Mr Aaron Ngan (ended October 2020)	Dr Jack Steele (commenced August 2020)
Ms Dianne Hill	Professor Anita Stuhmcke (commenced November 2020)
Dr Lisa O'Brien (commenced March 2020)	Mr Peter Munford (commenced November 2020)
Mr Patrick Tooth (commenced November 2020)	
Mr Juneyt Cihan (commenced November 2020)	

The following persons were board members of the various subsidiaries of the University of Technology Sydney during the year:

#### **Insearch Limited**

Professor Chris Earley	Mr Iain Watt
Mr Mark Leigh	Emeritus Professor Ross Milbourne, AO
Ms Anne Dwyer	Mr Alex Murphy
Professor Attila Brungs	Mr G Freeland
Ms N Anderson	

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#### **accessUTS Pty Limited**

Mr Patrick Woods
Ms Roula Christodoulides (ended November 2020)
Mr Nicholas William Glover
Ms Taia Rowe

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#### **UTS Global Pty Limited**

Mr Patrick Woods
Professor Chris Earley
Mr Iain Watt

### **(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 Attila Brungs	Professor Glen Wightwick
Ms Christine Burns	Professor Andrew Parfitt
Professor Shirley Alexander	Professor Kate McGrath
Mr Patrick Woods	Mr Iain Watt

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#### **Insearch Limited**

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

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#### **accessUTS Pty Limited**

Mr Patrick Woods
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	Economic entity (Consolidated)		Parent entity (University)	
	2020	2019	2020	2019
<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	-	-
\$20,000 to \$29,999	-	1	-	-
\$50,000 to \$59,999	-	-	-	-
\$60,000 to \$69,999	2	2	-	-
\$70,000 to \$79,999	1	-	-	-
\$100,000 to \$109,999	1	1	-	-
	4	5	-	-
<b>Remuneration of executive officers</b>				
\$290,000 to \$299,999	1	-	-	-
\$310,000 to \$319,999	-	1	-	-
\$330,000 to \$339,999	-	-	-	-
\$340,000 to \$349,999	1	1	-	-
\$360,000 to \$369,999	1	-	-	-
\$370,000 to \$379,999	-	1	-	-
\$390,000 to \$399,999	1	1	-	-
\$430,000 to \$439,999	-	1	-	-
\$440,000 to \$449,999	-	1	-	1
\$450,000 to \$459,999	-	1	-	-
\$460,000 to \$469,999	-	1	-	1
\$470,000 to \$479,999	1	-	1	-
\$490,000 to \$499,999	2	-	1	-
\$500,000 to \$509,999	-	2	-	1
\$510,000 to \$519,999	2	-	2	-
\$530,000 to \$539,999	-	1	-	1
\$540,000 to \$549,999	1	-	1	-
\$590,000 to \$599,999	-	1	-	1
\$600,000 to \$609,999	1	-	1	-
\$640,000 to \$649,999	-	1	-	1
\$670,000 to \$679,999	1	-	1	-
\$700,000 to \$719,999	-	1	-	1
\$1090,000 to \$1099,999 <sup>1</sup>	1	1	1	1
	13	15	8	8
<b>Key management personnel compensation</b>				
Short-term employee benefits	7,275,065	8,105,151	4,896,065	5,003,151
Post-employment benefits				
	7,275,065	8,105,151	4,896,065	5,003,151

1. During 2020, the Vice-Chancellor increased his donation to the university to 18% of remuneration. Use of these funds included the continued provision of scholarships as well as the provision of funds to assist with student and staff hardship driven by the COVID-19 pandemic.

Note: All senior leaders of the university donated components of their remuneration, up to approximately 10% of remuneration, in 2020 to assist with student and staff hardship driven by the COVID-19 pandemic.

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2020**

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>8. Remuneration of auditors</b>					
Fees paid to Audit Office of New South Wales for audit and review of financial statements		513	577	362	364
Fees paid to non-audit firms for the audit or review of financial statements of any entity in the consolidated group		447	437	-	-
<b>Total remuneration for audit services</b>		<b>960</b>	<b>1,014</b>	<b>362</b>	<b>364</b>
<b>9. Cash and cash equivalents</b>					
Cash at bank and on hand		8,432	10,088	860	474
Short-term deposits at call		110,414	52,200	96,195	45,983
Fixed-term deposits		18,500	84,000		50,000
<b>Total cash and cash equivalents</b>		<b>137,346</b>	<b>146,288</b>	<b>97,055</b>	<b>96,457</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		137,346	146,288	97,055	96,457
less: bank overdrafts					
<b>Balance as per statement of cash flows</b>		<b>137,346</b>	<b>146,288</b>	<b>97,055</b>	<b>96,457</b>
<b>(b) Cash at bank and on hand</b>					
Cash at bank are interest bearing with interest rates ranging between 0% and 3% (2019: 0% and 1.20%). 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 0.6% (2019 0% and 1.25%). Term deposits are interest bearing with rates ranging between 0% and 0.27%. Term deposits are able to be recalled by providing 31 days notice.					
<b>10. Receivables and contract assets</b>					
<b>Current</b>					
Trade debtors – other		18,637	26,831	16,374	25,487
less: provision for impaired receivables		(1,510)	(452)	(1,510)	(449)
		17,127	26,379	14,864	25,038
Trade debtors – student		3,388	4,194	3,061	3,906
less: provision for impaired receivables		(1,685)	(676)	(1,591)	(641)
		1,703	3,518	1,470	3,265
		18,830	29,897	16,334	28,303
Amounts receivable from wholly owned subsidiaries					
Insearch Limited		-	-	327	261
accessUTS Pty Limited		-	-	282	518
UTS Global Pty Ltd		-	-	-	-
Amounts receivable from related entities					
Sydney Educational Broadcasting Limited		239	321	239	321
<b>Total current receivables</b>		<b>19,069</b>	<b>30,218</b>	<b>17,182</b>	<b>29,403</b>
<b>Contract assets</b>					
Contract expenditures for partially completed contracts with customers		4,223	1,824	4,223	1,824
<b>Total current contract assets</b>		<b>4,223</b>	<b>1,824</b>	<b>4,223</b>	<b>1,824</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current</b>					
Deferred government contribution for superannuation		598,938	636,330	598,938	636,330
<b>Total non-current receivables</b>		<b>598,938</b>	<b>636,330</b>	<b>598,938</b>	<b>636,330</b>
<b>Contract assets</b>					
Contract expenditures for partially completed contracts with customers		-	-	-	-
<b>Total non-current contract assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 31 December 2020, the parent entity has total contract assets of \$4,223,000 (2019: \$1,824,000) which is net of an allowance for expected credit losses of \$0 (2019: \$0)					
<b>Total receivables and contract assets</b>		<b>622,230</b>	<b>668,372</b>	<b>620,343</b>	<b>667,557</b>
Set out below is the movement in the allowance for expected credit losses of receivables:					
At 1 January		1,128	1,061	1,090	1,043
Provision for expected credit losses		2,219	261	2,159	217
Write off		(148)	(194)	(148)	(170)
Unused amounts reversed		(4)	-	-	-
At 31 December		3,195	1,128	3,101	1,090
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)	18,119	17,511	18,119	17,511
Derivative — Power Purchase Agreement		-	870	-	870
<b>Total current other financial assets at fair value through profit or loss</b>		<b>18,119</b>	<b>18,381</b>	<b>18,119</b>	<b>18,381</b>
<b>Total current other financial assets</b>		<b>18,119</b>	<b>18,381</b>	<b>18,119</b>	<b>18,381</b>
<b>Non-current</b>					
<b>Investments in equity instruments designated at fair value through other comprehensive income</b>					
Unlisted shares		65,187	54,769	65,187	54,769
Listed shares		-	-	-	-
<b>Total investments in equity instruments designated at fair value through other comprehensive income</b>		<b>65,187</b>	<b>54,769</b>	<b>65,187</b>	<b>54,769</b>
<b>Other financial assets at amortised cost</b>					
Shares in subsidiaries		-	-	1,785	1,785
Shares in other entities		496	119	496	119
Interest in joint venture partnerships and investment in associates		-	-	3,010	3,010
Other unlisted securities — security deposits		245	322	-	-
<b>Total non-current other financial assets at cost</b>		<b>741</b>	<b>441</b>	<b>5,291</b>	<b>4,914</b>
<b>Total non-current other financial assets</b>		<b>65,928</b>	<b>55,210</b>	<b>70,478</b>	<b>59,683</b>

**Financial statements: UTS**  
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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
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		-	-	-	-
Provision for expected credit losses		-	-	-	-
Write-off		-	-	-	-
At 31 December		-	-	-	-

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

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>12. Other non-financial assets</b>					
<b>Current</b>					
Accrued income		9,358	5,207	9,354	5,141
Prepayments		19,063	21,721	15,004	16,476
Total current other non-financial assets		28,421	26,928	24,358	21,617
<b>Non-current</b>					
Prepayments		590	802	590	802
Prepaid rent		63	-	-	-
Total non-current other non-financial assets		653	802	590	802
Total other non-financial assets		29,074	27,730	24,948	22,419
<b>13. Non-current assets classified as held for sale</b>					
Land		4,500	-	4,500	-
Buildings		4,925	-	4,925	-
Total non-current assets classified as held for sale		9,425	-	9,425	-
<b>14. Investments accounted for using the equity method</b>					
Investments in associates		2,227	2,273	-	-
Investments in joint ventures		2,865	3,556	-	-
Total investments accounted for using the equity method		5,092	5,829	-	-
<b>(a) Reconciliation</b>					
Balance at 1 January		5,829	5,483	-	-
Share of profit/(loss) for the year		(334)	946	-	-
Dividends		(380)	(622)	-	-
Foreign currency translation		(23)	22	-	-
Additional equity income		-	-	-	-
Add additional shares in associate		-	-	-	-
Disposal of joint venture		-	-	-	-
Joint venture reclassified		-	-	-	-
Balance at 31 December		5,092	5,829	-	-

- Cicada Innovations Ply Ltd (formally Australian Technology Park Innovation Proprietary Limited (ATPI)) has a reporting date of 30 June 2020. The university has relied on the statutory accounts to the 30 June 2020 for Cicada Innovations Ply Ltd.
- Rugby Australia House Ply 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 Venues NSW (previously 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 Ply Ltd has a reporting date of 30 June 2020, The university has relied on the statutory accounts to the 30 June 2020 for Sabre Autonomous Solutions Pty Ltd.

**(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)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'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	(334)	946	–	–
Profit/(loss) from continuing operations after income tax	(334)	946	–	–
Other comprehensive income	–	–	–	–
Total comprehensive income	(334)	946	–	–
Total share of profit or loss on investments accounted for using the equity method	(334)	946	–	–

**(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	Leasehold improvements	Library	Other property, plant and equipment \$'000	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
<b>15. Property, plant and equipment</b>											
<b>Consolidated</b>											
<b>At 1 January 2019</b>											
cost	262,037	-	-	-	310,615	57,660	-	-	630,312	18,644	648,956
valuation	-	568,403	1,346,504	561,098	-	-	112,088	2,797	2,590,890	-	2,590,890
Accumulated depreciation and impairment	-	-	(463,606)	(240,502)	(181,354)	(2,939)	(99,581)	-	(987,982)	(9,468)	(997,450)
Net book amount	262,037	568,403	882,898	320,596	129,261	54,721	12,507	2,797	2,233,220	9,176	2,242,396
<b>Year ended 31 December 2019</b>											
Opening net book amount	262,037	568,403	882,898	320,596	129,261	54,721	12,507	2,797	2,233,220	9,176	2,242,396
Adoption of AASB16	-	-	-	-	-	-	-	-	-	165,207	165,207
Revaluation surplus/(deficit)	-	13,841	14,543	7,030	-	1,198	-	22	36,634	-	36,634
Additions	(220,646)	-	246,309	89,909	70,117	24,410	711	425	211,235	20,504	231,739
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(167)	-	(307)	-	(474)	(1)	(475)
Depreciation charge	-	-	(28,558)	(24,888)	(29,772)	(4,871)	(1,584)	-	(89,673)	(25,480)	(115,153)
Closing net book amount	41,391	582,244	1,115,192	392,647	169,439	75,458	11,327	3,244	2,390,942	169,406	2,560,348
<b>At 31 December 2019</b>											
cost	41,391	-	-	-	375,199	83,172	-	-	499,762	199,223	698,985
valuation	-	582,244	1,616,025	656,796	-	-	110,810	3,244	2,969,119	-	2,969,119
Accumulated depreciation and impairment	-	-	(500,833)	(264,149)	(205,760)	(7,714)	(99,483)	-	(1,077,939)	(29,817)	(1,107,756)
Net book amount	41,391	582,244	1,115,192	392,647	169,439	75,458	11,327	3,244	2,390,942	169,406	2,560,348
<b>Year ended 31 December 2020</b>											
Opening net book amount	41,391	582,244	1,115,192	392,647	169,439	75,458	11,327	3,244	2,390,942	169,406	2,560,348
Adoption of AASB16	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus/(deficit)	-	2,620	31,707	12,622	-	1,350	-	-	48,299	-	48,299
Additions	(20,828)	1,873	44,451	19,703	29,302	912	140	286	75,839	10,556	86,395
Assets included in a disposal group classified as held for sale and other disposals	-	(4,500)	(4,545)	(380)	(198)	-	-	-	(9,623)	-	(9,623)

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment <sup>1</sup>	Leasehold improvements	Library	Other property, plant and equipment <sup>2</sup>	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Depreciation charge	-	-	(32,821)	(27,913)	(32,929)	(5,578)	(1,340)	-	(100,581)	(26,921)	(127,502)
Closing net book amount	20,563	582,237	1,153,984	396,679	165,614	72,142	10,127	3,530	2,404,876	153,041	2,557,917
<b>At 31 December 2020</b>											
cost	20,563	-	-	-	399,601	85,290	-	-	505,454	202,953	708,407
valuation	-	582,237	1,720,579	698,355	-	-	110,950	3,530	3,115,651	-	3,115,651
Accumulated depreciation and impairment	-	-	(566,595)	(301,676)	(233,987)	(13,148)	(100,823)	-	(1,216,229)	(49,912)	(1,266,141)
<b>Net book amount</b>	<b>20,563</b>	<b>582,237</b>	<b>1,153,984</b>	<b>396,679</b>	<b>165,614</b>	<b>72,142</b>	<b>10,127</b>	<b>3,530</b>	<b>2,404,876</b>	<b>153,041</b>	<b>2,557,917</b>
<b>Parent entity</b>											
<b>At 1 January 2019</b>											
cost	262,058	-	-	-	264,617	52,644	-	-	579,319	17,619	596,938
valuation	-	568,403	1,346,504	561,098	-	-	112,088	2,797	2,590,890	-	2,590,890
Accumulated depreciation and impairment	-	-	(463,606)	(240,502)	(146,711)	(2,939)	(99,581)	-	(953,339)	(8,445)	(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>12,507</b>	<b>2,797</b>	<b>2,216,870</b>	<b>9,174</b>	<b>2,226,044</b>
<b>Year ended 31 December 2019</b>											
Opening net book amount	262,058	568,403	882,898	320,596	117,906	49,705	12,507	2,797	2,216,870	9,174	2,226,044
Adoption of AASB16	-	-	-	-	-	-	-	-	-	105,010	105,010
Revaluation surplus/(deficit)	-	13,841	14,543	7,030	-	1,198	-	22	36,634	-	36,634
Additions	(220,646)	-	246,309	89,909	68,519	19,149	711	425	204,376	13,603	217,979
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	(148)	-	(307)	-	(455)	(1)	(456)
Depreciation charge	-	-	(28,558)	(24,888)	(26,044)	(4,871)	(1,584)	-	(85,945)	(14,496)	(100,441)
Closing net book amount	41,412	582,244	1,115,192	392,647	160,233	65,181	11,327	3,244	2,371,480	113,290	2,484,770
<b>At 31 December 2019</b>											
cost	41,412	-	-	-	327,623	72,895	-	-	441,930	131,100	573,030
valuation	-	582,244	1,616,025	656,796	-	-	110,810	3,244	2,969,119	-	2,969,119
Accumulated depreciation and impairment	-	-	(500,833)	(264,149)	(167,390)	(7,714)	(99,483)	-	(1,039,569)	(17,810)	(1,057,379)
<b>Net book amount</b>	<b>41,412</b>	<b>582,244</b>	<b>1,115,192</b>	<b>392,647</b>	<b>160,233</b>	<b>65,181</b>	<b>11,327</b>	<b>3,244</b>	<b>2,371,480</b>	<b>113,290</b>	<b>2,484,770</b>

**Financial statements: UTS**  
**Notes to the financial statements**  
**for the year ended 31 December 2020**

	Construction in progress	Land	Buildings	Infrastructure	Plant and equipment	Leasehold improvements	Library	Other property, plant and equipment \$'000	Sub-total property, plant and equipment owned	Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
<b>Year ended 31 December 2020</b>											
Opening net book amount	41,412	582,244	1,115,192	392,647	160,233	65,181	11,327	3,244	2,371,480	113,290	2,484,770
Adoption of AASB16	-	-	-	-	-	-	-	-	-	-	-
Revaluation surplus/(deficit)	-	2,620	31,707	12,622	-	1,350	-	-	48,299	-	48,299
Additions	(20,828)	1,873	44,451	19,703	27,647	912	140	286	74,184	9,260	83,444
Assets included in a disposal group classified as held for sale and other disposals	-	(4,500)	(4,545)	(380)	(101)	-	-	-	(9,526)	-	(9,526)
Depreciation charge	-	-	(32,821)	(27,913)	(28,713)	(5,578)	(1,340)	-	(96,365)	(14,787)	(111,152)
Closing net book amount	20,584	582,237	1,153,984	396,679	159,066	61,865	10,127	3,530	2,388,072	107,763	2,495,835
<b>At 31 December 2020</b>											
cost	20,584	-	-	-	350,467	75,013	-	-	446,064	133,534	579,598
valuation	-	582,237	1,720,579	698,355	-	-	110,950	3,530	3,115,651	-	3,115,651
Accumulated depreciation and impairment	-	-	(566,595)	(301,676)	(191,401)	(13,148)	(100,823)	-	(1,173,643)	(25,771)	(1,199,414)
<b>Net book amount</b>	20,584	582,237	1,153,984	396,679	159,066	61,865	10,127	3,530	2,388,072	107,763	2,495,835

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 2020 revaluations were based on independent assessments by Colliers International as at 31 December 2020. The revaluation surplus was credited/debited to the asset revaluation reserve in equity (note 23).
- The valuation basis of works of art is fair value based on an independent assessment by Colliers International as at 31 December 2019. A revaluation for works of art was not conducted in 2020.

**(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.

**(c) Right-of-use assets**

	Economic entity (Consolidated)	Parent entity (University)
	2020 \$'000	2020 \$'000
<b>Buildings</b>		
At 1 January 2020	160,957	104,843
Additions of right-of-use assets	4,617	3,321
Depreciation charge	(21,821)	(9,687)
<b>At 31 December 2020</b>	<b>143,753</b>	<b>98,477</b>
<b>Computer equipment</b>		
At 1 January 2020	8,449	8,447
Additions of right-of-use assets	5,939	5,939
Depreciation charge	(5,100)	(5,100)
<b>At 31 December 2020</b>	<b>9,288</b>	<b>9,286</b>
<b>Total right-of-use asset</b>	<b>153,041</b>	<b>107,763</b>

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

**Consolidated**

**At 1 January 2019**

Cost	5,544	118,070	10,789	134,403
Accumulated amortisation and impairment	(3,274)	(91,912)	(1,724)	(96,910)
<b>Net book amount</b>	<b>2,270</b>	<b>26,158</b>	<b>9,065</b>	<b>37,493</b>

**Year ended 31 December 2019**

Opening net book amount	2,270	26,158	9,065	37,493
Additions	-	17,887	2,002	19,889
Disposals	-	-	-	-
Impairment charge	-	-	-	-
Amortisation charge	(156)	(11,342)	(628)	(12,126)
<b>Closing net book amount</b>	<b>2,114</b>	<b>32,703</b>	<b>10,439</b>	<b>45,256</b>

**At 31 December 2019**

Cost	5,544	135,957	12,791	154,292
Accumulated amortisation and impairment	(3,430)	(103,254)	(2,352)	(109,036)
<b>Net book amount</b>	<b>2,114</b>	<b>32,703</b>	<b>10,439</b>	<b>45,256</b>

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	Patents and trademarks \$'000	Software \$'000	Licences perpetual \$'000	Total \$'000
<b>Year ended 31 December 2020</b>				
Opening net book amount	2,114	32,703	10,439	45,256
Additions	-	21,340	3,047	24,387
Disposals	-	(66)	-	(66)
Acquisition of subsidiary	-	-	-	-
Impairment charge	-	-	-	-
Amortisation charge	(113)	(11,577)	(941)	(12,631)
Closing net book amount	2,001	42,400	12,545	56,946
<b>At 31 December 2020</b>				
Cost	5,544	157,231	15,838	178,613
Accumulated amortisation and impairment	(3,543)	(114,631)	(3,293)	(121,667)
Net book amount	2,001	42,400	12,545	56,946
Closing net book amount	2,001	42,400	12,545	56,946
<b>Parent entity</b>				
<b>At 1 January 2019</b>				
Cost	-	104,221	10,789	115,010
Accumulated amortisation and impairment	-	(80,571)	(1,724)	(82,295)
Net book amount	-	23,650	9,065	32,715
<b>Year ended 31 December 2019</b>				
Opening net book amount	-	23,650	9,065	32,715
Additions	-	15,406	2,002	17,408
Disposals	-	-	-	-
Impairment charge	-	-	-	-
Amortisation charge	-	(9,977)	(628)	(10,605)
Closing net book amount	-	29,079	10,439	39,518
<b>At 31 December 2019</b>				
Cost	-	119,627	12,791	132,418
Accumulated amortisation and impairment	-	(90,548)	(2,352)	(92,900)
Net book amount	-	29,079	10,439	39,518
<b>Year ended 31 December 2020</b>				
Opening net book amount	-	29,079	10,439	39,518
Additions	-	19,464	3,047	22,511
Disposals	-	-	-	-
Acquisition of subsidiary	-	-	-	-
Impairment charge	-	-	-	-
Amortisation charge	-	(10,378)	(941)	(11,319)
Closing net book amount	-	38,165	12,545	50,710
<b>At 31 December 2020</b>				
Cost	-	139,091	15,838	154,929
Accumulated amortisation and impairment	-	(100,926)	(3,293)	(104,219)
Net book amount	-	38,165	12,545	50,710
Closing net book amount	-	38,165	12,545	50,710

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>17. Trade and other payables</b>					
<b>Current</b>					
OS-HELP liability to Australian Government		11,795	4,221	11,795	4,221
Deputy Commissioner of Taxation – PAYG		–	5,475	2	5,467
Office of State Revenue – payroll tax		2,482	3,198	2,477	3,186
Trade creditors and accruals		29,128	53,737	27,544	51,295
Capital accruals		2,440	1,857	2,440	1,857
Other payroll accruals		23,243	16,503	23,241	16,486
Other		4,776	3,477	4,574	3,371
<b>Total trade and other payables</b>		<b>73,864</b>	<b>88,468</b>	<b>72,073</b>	<b>85,883</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		72,877	85,507	71,647	83,111
CAD					
CHF		2	5	2	5
EUR		89	624	89	624
GBP		54	393	54	393
NZD		1	3	1	3
RMB		154	34	–	–
INR		–	125	–	6
LKR		233	36	–	–
IDR		174	–	–	–
USD		271	1,707	271	1,707
SGD		9	5	9	5
DKK		–	29	–	29
		<b>73,864</b>	<b>88,468</b>	<b>72,073</b>	<b>85,883</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>					
Lease liabilities		26,566	26,956	13,857	14,912
Unsecured bank loans		40,000	–	40,000	–
<b>Total current borrowings</b>		<b>66,566</b>	<b>26,956</b>	<b>53,857</b>	<b>14,912</b>
<b>Non-current</b>					
Lease liabilities		134,170	145,568	98,021	99,707
Bond issued		298,707	298,537	298,707	298,537
<b>Total non-current borrowings</b>		<b>432,877</b>	<b>444,105</b>	<b>396,728</b>	<b>398,244</b>
<b>Total borrowings</b>		<b>499,443</b>	<b>471,061</b>	<b>450,585</b>	<b>413,156</b>
<b>Current</b>					
Interest bearing borrowings		66,566	26,956	53,857	14,912
<b>Non-current</b>					
Interest bearing borrowings		432,877	444,105	396,728	398,244
<b>Total borrowings</b>		<b>499,443</b>	<b>471,061</b>	<b>450,585</b>	<b>413,156</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(a) Assets pledged as security</b>					
<b>Non-current</b>					
<b>Finance lease</b>					
Plant and equipment	15	16,453	17,340	16,453	17,340
<b>Total non-current assets pledged as security</b>		<b>16,453</b>	<b>17,340</b>	<b>16,453</b>	<b>17,340</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		250,000	150,000	250,000	150,000
Used at balance date		40,000	-	40,000	-
Unused at balance date		210,000	150,000	210,000	150,000
<b>Borrowing commitments</b>					
Within one year		40,000	-	40,000	-
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>340,000</b>	<b>300,000</b>	<b>340,000</b>	<b>300,000</b>
<b>(c) Lease liabilities</b>					
<b>Amounts recognised in the income statement</b>					
Interest on lease liabilities		6,146	6,084	4,011	3,883
Expenses relating to short-term leases		802	1,618	406	1,048
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets		1,488	908	1,488	908
<b>Total lease expenses recognised in income statement</b>		<b>8,436</b>	<b>8,610</b>	<b>5,905</b>	<b>5,839</b>
<b>Maturity analysis – undiscounted contractual cash flows</b>					
Less than one year		27,064	27,379	14,196	15,293
One to five years		79,795	82,556	44,930	41,863
More than 5 years		85,915	98,718	79,420	87,501
<b>Total undiscounted contractual cash flows</b>		<b>192,774</b>	<b>208,653</b>	<b>138,546</b>	<b>144,657</b>
<b>Total lease liabilities recognised in the statement of financial position</b>					
Current		26,566	26,956	13,857	14,912
Non-current		134,170	145,568	98,021	99,707
<b>Total</b>		<b>160,736</b>	<b>172,524</b>	<b>111,878</b>	<b>114,619</b>

**(d) Interest rate risk exposures**

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

**(e) Fair value disclosures**

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

**(f) Borrowing classes and conditions**

The university's borrowings comprise a bond (\$300 million), three revolving debt facilities with the National Australia Bank (NAB) (\$75 million), the Commonwealth Bank of Australia (CBA) (\$75 million), Westpac Banking Corporation (WBC) (\$100 million) and lease liabilities. Details of the borrowings are listed in note 34.

The NAB, CBA and WBC 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 banks' consent
- not to lessen the banks' 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 banks.

**(g) Risk exposure**

As at 31 December 2020, all of the university's borrowings, which has been drawn down, is at a fixed rate of interest. 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)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>19. Provisions</b>					
<b>Current provisions expected to be settled wholly within 12 months</b>					
Employee benefits					
annual leave	1 (w)/ 1(x)	29,296	33,915	26,070	30,689
long service leave	1 (w)/ 1(x)	9,637	9,284	9,102	8,749
<b>Total current provisions expected to be settled within 12 months</b>		<b>38,933</b>	<b>43,199</b>	<b>35,172</b>	<b>39,438</b>
<b>Current provisions expected to be settled wholly after more than 12 months</b>					
Employee benefits					
annual leave	1 (w)/ 1(x)	4,655	11,399	5,123	12,104
long service leave	1 (w)/ 1(x)	61,651	66,305	59,070	63,865
<b>Total current employee benefit provisions expected to be settled wholly after more than 12 months</b>		<b>66,306</b>	<b>77,704</b>	<b>64,193</b>	<b>75,969</b>
Make good provision		20	20	20	20
<b>Total current provisions</b>		<b>105,259</b>	<b>120,923</b>	<b>99,385</b>	<b>115,427</b>
<b>Non-current</b>					
Employee benefits					
long service leave	1 (w)/ 1(x)	32,020	31,819	30,053	29,100
defined benefit obligation		599,894	637,079	599,894	637,079
defined benefit obligation – payroll tax		11,802	12,013	11,802	12,013
<b>Total non-current employee benefit provisions</b>		<b>643,716</b>	<b>680,911</b>	<b>641,749</b>	<b>678,192</b>
Make good provision		9,478	9,278	4,968	4,849
<b>Total non-current provisions</b>		<b>653,194</b>	<b>690,189</b>	<b>646,717</b>	<b>683,041</b>
<b>Total provisions</b>		<b>758,453</b>	<b>811,112</b>	<b>746,102</b>	<b>798,468</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 2020</b>		
Carrying amount as at 1 January 2020	9,278	9,278
Additional provisions recognised	220	220
Amounts used	-	-
Unused amounts reversed	-	-
Carrying amount as at 31 December 2020	9,498	9,498
<b>Parent 2020</b>		
Carrying amount as at 1 January 2020	4,869	4,869
Additional provisions recognised	119	119
Amounts used	-	-
Unused amounts reversed	-	-
Carrying amount as at 31 December 2020	4,988	4,988

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>20. Other financial liabilities</b>					
<b>Current</b>					
Other financial liabilities at amortised cost	34	5,103	3,232	5,103	3,232
Foreign exchange forward contracts	34	-	-	-	-
<b>Total current other financial liabilities</b>		<b>5,103</b>	<b>3,232</b>	<b>5,103</b>	<b>3,232</b>
<b>Non-current</b>					
Other financial liabilities at amortised cost	34	-	-	-	-
Foreign exchange forward contracts	34	-	-	-	-
<b>Total non current other financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
There are no other financial liabilities as at 31 December 2020 (31 December 2019: \$0)					
<b>21. Other liabilities</b>					
<b>Current</b>					
Australian government unspent financial assistance		469	1,825	469	1,825
Prepaid student fees		45,919	63,846	45,919	41,468
Other		3,913	5,842	1,481	2,394
<b>Total current other liabilities</b>		<b>50,301</b>	<b>71,513</b>	<b>47,869</b>	<b>45,687</b>
<b>Total other liabilities</b>		<b>50,301</b>	<b>71,513</b>	<b>47,869</b>	<b>45,687</b>
<b>22. Contract liabilities</b>					
<b>Current</b>					
Amount received in advance from customers for partially completed contracts		65,569	40,510	47,724	40,510
<b>Total current contract liabilities</b>		<b>65,569</b>	<b>40,510</b>	<b>47,724</b>	<b>40,510</b>
<b>Non-current</b>					
Amount received in advance from customers for partially completed contracts		-	-	-	-
<b>Total non-current contract liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total contract liabilities</b>		<b>65,569</b>	<b>40,510</b>	<b>47,724</b>	<b>40,510</b>
<b>23. Reserves and retained earnings</b>					
<b>(a) Reserves comprise</b>					
Property, plant and equipment revaluation reserve					
freehold land		547,593	544,973	547,593	544,973
buildings		165,555	133,848	165,555	133,848
building infrastructure		233,841	221,219	233,841	221,219
leasehold improvements		4,511	3,161	4,511	3,161
artworks		1,531	1,531	1,531	1,531
library		116	116	116	116
other assets		1	1	1	1
Financial assets at fair value through other comprehensive income (OCI)		64,585	54,167	64,585	54,167
Cash flow hedge reserve		-	(173)	-	(173)
Foreign currency translation reserve		(1,002)	(724)	-	-
<b>Total reserves</b>		<b>1,016,731</b>	<b>958,119</b>	<b>1,017,733</b>	<b>958,843</b>

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(b) Movements in reserves</b>					
Property, plant and equipment revaluation reserve					
Balance 1 January		904,849	868,215	904,849	868,215
Increase/(decrease) revaluation	15	48,299	36,634	48,299	36,634
Transfer of reserve to retained earnings		-	-	-	-
<b>Balance 31 December</b>		<b>953,148</b>	<b>904,849</b>	<b>953,148</b>	<b>904,849</b>
Investments revaluation reserve					
Balance 1 January		54,167	36,141	54,167	36,141
Retrospective changes		-	-	-	-
Balance as restated		54,167	36,141	54,167	36,141
Increase/(decrease) revaluation		10,418	18,026	10,418	18,026
<b>Balance 31 December</b>		<b>64,585</b>	<b>54,167</b>	<b>64,585</b>	<b>54,167</b>
Cash flow hedge reserve					
Balance 1 January		(173)	(762)	(173)	(762)
Increase/(decrease) revaluation		173	589	173	589
<b>Balance 31 December</b>		<b>-</b>	<b>(173)</b>	<b>-</b>	<b>(173)</b>
Foreign currency translation reserve					
Balance 1 January		(724)	(670)	-	-
Net exchange differences on translation of foreign controlled entity		(278)	(54)	-	-
<b>Balance 31 December</b>		<b>(1,002)</b>	<b>(724)</b>	<b>-</b>	<b>-</b>
<b>Total reserves</b>		<b>1,016,731</b>	<b>958,119</b>	<b>1,017,733</b>	<b>958,843</b>

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

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

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

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

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

	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(d) Retained earnings</b>					
Movements in retained earnings were as follows:					
Retained earnings at 1 January		1,083,399	1,087,816	1,043,006	1,035,509
Retrospective adjustment for application of AASB15		-	(24,445)	-	(24,445)
Retrospective adjustment for application of AASB16		-	4,464	-	4,423
Net result for the period		(50,579)	15,644	(43,075)	27,599
Net actuarial gains/(losses) recognised in respect of defined benefit plans		(207)	(80)	(207)	(80)
<b>Retained earnings at 31 December</b>		<b>1,032,613</b>	<b>1,083,399</b>	<b>999,724</b>	<b>1,043,006</b>

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	Notes	Economic entity (Consolidated)		Parent entity (University)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>24. Commitments</b>					
<b>(a) Capital expenditure commitments</b>					
Commitments for the acquisition of property, plant and equipment contracted for at the reporting date but not recognised as liabilities are payable as follows:					
<b>Building works</b>					
within one year		8,164	57,302	7,166	55,802
between one and five years		-	-	-	-
<b>Plant and equipment</b>					
within one year		3,834	5,370	3,834	5,370
<b>Intangible assets</b>					
within one year		165	759	165	759
<b>Total capital commitments</b>		<b>12,163</b>	<b>63,431</b>	<b>11,165</b>	<b>61,931</b>

**25. Defined benefit plans**

During the 2020 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 2020 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 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 2020 A\$			
Expected employer contributions	-	691,781	-	691,781

#### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 10.7 years (2019 10.7 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.

Asset category	Total as at 30 November 2020*	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
Short-term securities	3,863,057	1,687,781	2,175,276	0
Australian fixed interest	784,698	-	784,698	0
International fixed interest	1,880,464	40,614	1,831,619	8,231
Australian equities	8,106,675	8,106,651	24	0
International equities	13,160,259	12,667,508	492,751	0
Property	3,371,713	696,302	0	2,675,411
Alternatives	9,581,689	(3,208)	3,121,966	6,462,931
<b>Total</b>	<b>40,748,555</b>	<b>23,195,648</b>	<b>8,406,334</b>	<b>9,146,573</b>

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

	30 November 2020*	30 November 2019*
	%	%
<b>Asset category</b>		
Short-term securities	9.48	8.87
Australian fixed interest	1.93	3.48
International fixed interest	4.61	4.85
Australian equities	19.89	19.26
International equities	32.30	31.30
Property	8.27	8.70
Alternatives	23.51	23.54
<b>Total</b>	<b>100</b>	<b>100</b>

\* Actual asset allocation as at 31 December 2020 is not available as advised by the actuary therefore 30 November 2020 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 2020
Discount rate	0.97% pa
Salary increase rate (excluding promotional increases)	1.7% for 2020/2021; 2.2% pa for 2021/2022 to 2023/2024; 3.2% pa thereafter 1.00% for 2020/21; 1.25% for 2021/22; 1.50% for 2022/23 and 2023/24; 1.75% for 2024/25; 2.00% for 2025/26; 2.25% for 2026/27; 2.50% pa thereafter
Rate of CPI increase	
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

**Actuarial assumptions and sensitivity**

The entity's total defined benefit obligation as at 31 December 2020 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 2020.

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 -0.5% discount rate	Scenario B +0.5% 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	0.97	0.47	1.47%	0.97	0.97	0.97	0.97
Rate of CPI increase	as above	as above	as above	as above rates plus 0.5% 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	655,412,324	693,886,961	620,311,414	694,983,739	618,968,605	656,125,290	654,717,010
	Base case	Scenario G lower mortality <sup>1</sup>	Scenario H higher mortality <sup>2</sup>				
Defined benefit obligation	691,135,141	664,211,114	647,231,274				

1. Assumes the short-term pensioner mortality improvement factors for years 2020–2023 also apply for years after 2023.

2. Assumes the long-term pensioner mortality improvement factors for years post 2023 also apply for years 2020–2023.

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	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Opening defined benefit obligation	32,247,262	35,304,468	6,024,111	6,599,265	652,863,768	615,503,881	691,135,141	657,407,614
Current service cost	567,211	716,819	169,247	204,243	-	-	736,458	921,062
Past service cost	-	-	-	-	-	-	-	-
Interest expense/(income)	399,743	765,796	71,850	138,382	8,710,625	14,119,837	9,182,218	15,024,015
	33,214,216	36,787,083	6,265,208	6,941,890	661,574,393	629,623,718	701,053,817	673,352,691
<b>Remeasurements</b>								
Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial losses/(gains) arising from changes in financial assumptions	(284,780)	848,609	(89,396)	209,801	5,809,741	54,604,453	5,435,565	55,662,863
Actuarial losses/(gains) arising from liability experience	(760,925)	1,775,732	(4,860,587)	(40,261)	(10,962,418)	(2,425,347)	(16,583,930)	(689,876)
	(1,045,705)	2,624,341	(4,949,983)	169,540	(5,152,677)	52,179,106	(11,148,365)	54,972,987
<b>Contributions</b>								
Employers	-	-	-	-	-	-	-	-
Plan participants	323,073	412,133	-	-	242,595	304,515	565,668	716,648
	323,073	412,133	-	-	242,595	304,515	565,668	716,648
Exchange differences on foreign plans	-	-	-	-	-	-	-	-
Taxes, premiums and expenses paid	(90,251)	(94,842)	3,694,341	261,795	(4,231,958)	(1,560,572)	(627,868)	(1,393,619)
<b>Payments from plan</b>								
Benefits paid	(4,487,931)	(7,481,453)	(894,930)	(1,349,114)	(29,048,067)	(27,682,999)	(34,430,928)	(36,513,566)
Settlements	-	-	-	-	-	-	-	-
	(4,487,931)	(7,481,453)	(894,930)	(1,349,114)	(29,048,067)	(27,682,999)	(34,430,928)	(36,513,566)
Liabilities from business combination								
Closing defined benefit obligation	27,913,402	32,247,262	4,114,636	6,024,111	623,384,286	652,863,768	655,412,324	691,135,141
<b>Present value of plan assets</b>								
Opening fair value of plan assets	14,369,767	19,571,795	1,959,677	1,785,194	37,726,956	32,181,999	54,056,400	53,538,988
Current service cost	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-
Interest income	155,426	401,892	23,347	40,609	518,097	917,551	696,870	1,360,052
	14,525,193	19,973,687	1,983,024	1,825,803	38,245,053	33,099,550	54,753,270	54,899,040
<b>Remeasurements</b>								
Actual return on fund assets less interest income	130,223	1,331,289	(14,988)	(14,475)	(277,456)	166,172	(162,221)	1,482,986
	130,223	1,331,289	(14,988)	(14,475)	(277,456)	166,172	(162,221)	1,482,986
Exchange differences on foreign plans								
<b>Contributions</b>								
Employer	88,304	228,953	1,048,166	1,235,668	34,284,199	33,400,289	35,420,669	34,864,910
Plan participants	323,073	412,133	-	-	242,595	304,515	565,668	716,648

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	SASS		SANCS		SSS		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
	411,377	641,086	1,048,166	1,235,668	34,526,794	33,704,804	35,986,337	35,581,558
Taxes, premiums and expenses paid	(90,251)	(94,842)	3,694,341	261,795	(4,231,958)	(1,560,571)	(627,868)	(1,393,618)
<b>Payments from plan</b>								
Benefits paid	(4,487,931)	(7,481,453)	(894,930)	(1,349,114)	(29,048,067)	(27,682,999)	(34,430,928)	(36,513,566)
Settlements	-	-	-	-	-	-	-	-
	(4,487,931)	(7,481,453)	(894,930)	(1,349,114)	(29,048,067)	(27,682,999)	(34,430,928)	(36,513,566)
Assets acquired in a business combination	-	-	-	-	-	-	-	-
Closing fair value of plans assets	10,488,611	14,369,767	5,815,613	1,959,677	39,214,366	37,726,956	55,518,590	54,056,400
<b>Reconciliation of the net defined benefit liability/(asset)</b>								
Net defined benefit liability/(asset) at start of year	17,877,495	15,732,672	4,064,433	4,814,072	615,136,813	583,321,882	637,078,741	603,868,626
Current service cost	567,211	716,819	169,247	204,243			736,458	921,062
Net interest on the net defined benefit liability/(asset)	244,317	363,904	48,503	97,772	8,192,528	13,202,286	8,485,348	13,663,962
Past service cost	-	-	-	-	-	-	-	-
(Gains)/losses arising from settlements	-	-	-	-	-	-	-	-
Actual return on fund assets less interest income	(130,223)	(1,331,288)	14,988	14,475	277,456	(166,172)	162,221	(1,482,985)
Actuarial (gains)/losses from changes in demographic assumptions	-	-	-	-	-	-	-	-
Actuarial (gains)/losses from changes in financial assumptions	(284,780)	848,609	(89,396)	209,801	5,809,741	54,604,453	5,435,565	55,662,863
Actuarial (gains)/losses from liability experience	(760,924)	1,775,732	(4,860,588)	(40,262)	(10,962,418)	(2,425,347)	(16,583,930)	(689,877)
Adjustment for effect of asset ceiling	-	-	-	-	-	-	-	-
Employer contributions	(88,304)	(228,953)	(1,048,166)	(1,235,668)	(34,284,199)	(33,400,289)	(35,420,669)	(34,864,910)
Net defined benefit liability/(asset) at end of year note 19	17,424,792	17,877,495	(1,700,979)	4,064,433	584,169,921	615,136,813	599,893,734	637,078,741
<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	17,610,009	15,509,962	3,947,758	4,724,703	614,772,303	582,965,655	636,330,070	603,200,320
Expected return on reimbursement rights	(462,595)	2,100,047	(5,795,107)	(776,945)	(31,133,941)	31,806,648	(37,391,643)	33,129,750
Closing value of reimbursement right	17,147,414	17,610,009	(1,847,349)	3,947,758	583,638,362	614,772,303	598,938,427	636,330,070
<b>Net liability</b>								
Defined benefit obligation	27,913,402	32,247,262	4,114,636	6,024,111	623,384,286	652,863,768	655,412,324	691,135,141
Fair value of plan assets	(10,488,611)	(14,369,767)	(5,815,613)	(1,959,677)	(39,214,366)	(37,726,956)	(55,518,590)	(54,056,400)
Net liability note 19	17,424,791	17,877,495	(1,700,977)	4,064,434	584,169,920	615,136,812	599,893,734	637,078,741
Reimbursement right note 10	17,147,414	17,610,009	(1,847,349)	3,947,758	583,638,362	614,772,303	598,938,427	636,330,070
Net liability/(asset) in balance sheet	277,377	267,486	146,372	116,676	531,558	364,509	955,307	748,671

	SASS		SANCS		SSS		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
<b>Amounts recognised in the statement of financial position</b>								
<b>Liabilities</b>								
Provision for deferred government benefits for superannuation	17,424,791	17,877,495	(1,700,977)	4,064,434	584,169,920	615,136,812	599,893,734	637,078,741
Total liabilities recognised in statement of financial position	17,424,791	17,877,495	(1,700,977)	4,064,434	584,169,920	615,136,812	599,893,734	637,078,741
<b>Assets</b>								
Receivable for deferred government contribution for superannuation	17,147,414	17,610,009	(1,847,349)	3,947,758	583,638,362	614,772,303	598,938,427	636,330,070
Total assets recognised in statement of financial position	17,147,414	17,610,009	(1,847,349)	3,947,758	583,638,362	614,772,303	598,938,427	636,330,070
Net liability recognised in the statement of financial position	277,377	267,486	146,372	116,676	531,558	364,509	955,307	748,671
<b>Amounts recognised in other statements</b>								
<b>Amounts recognised in the income statement</b>								
Current service cost	567,211	716,819	169,247	204,243	–	–	736,458	921,062
Net interest	244,317	363,904	48,503	97,773	8,192,528	13,202,286	8,485,348	13,663,963
Expected return on plan assets	–	–	–	–	–	–	–	–
Past service costs	–	–	–	–	–	–	–	–
Losses/(gains) arising from curtailments or settlements	–	–	–	–	–	–	–	–
Expense/(income)	811,528	1,080,723	217,750	302,016	8,192,528	13,202,286	9,221,806	14,585,025
<b>Other comprehensive income</b>								
Actuarial losses/(gains) on liabilities	(1,045,704)	2,624,341	(4,949,983)	169,539	(5,152,676)	52,179,106	(11,148,363)	54,972,986
Actual return on fund assets less interest income	(130,224)	(1,331,288)	14,988	14,475	277,455	(166,173)	162,219	(1,482,986)
Recognised in other comprehensive income	(1,175,928)	1,293,053	(4,934,995)	184,014	(4,875,221)	52,012,933	(10,986,144)	53,490,000

### 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 Accounting Standard AASB 119.
- 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 Employee Benefits.
- As at 30 June 2020, the assets of the DBD in aggregate were estimated to be \$3,276 million above vested benefits, after allowing for various reserves. The vested benefit index based on funding assumptions was 114.1%. 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 2020, the assets of the DBD in aggregate were estimated to be \$5,267 million above accrued benefits, after allowing for various reserves. The accrued benefit index based on best estimate assumptions was 124.7%. 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 2020. The financial assumptions used were:

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	Vested benefits	Accrued benefits
	% pa	% pa
Gross of tax investment return – DBD pensions	4.80	6.10
Gross of tax investment return – commercial rate indexed pensions	2.40	2.40
Net of tax investment return – non-pensioner members	4.30	5.50
Consumer Price Index		
for the next 3 years	0.5	0.5
beyond 3 years	2.00	2.00
Inflationary salary increases		
for the next 3 years	2.25	2.25
beyond 3 years	2.75	2.75

- 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

- 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 \$538,000 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 \$955,307 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(c).

Name of entity	Principal activities	Principal place of business	Ownership interest/control		Equity	
			2020 %	2019 %	2020 \$'000	2019 \$'000
<b>Parent entity</b>						
University of Technology Sydney	Education services	Australia			2,016,131	2,000,436
<b>Controlled entities</b>						
Insearch Limited (company limited by guarantee) <sup>1</sup>	Education services	Australia	100	100	26,981	34,738
Insearch (Shanghai) Limited	Education services	China	100	100	1,067	745
Insearch Education International Pty Limited	Education services	Australia	100	100	186	183
Insearch India LLP	Education services	India	100	100	142	160
Insearch Global Pty Ltd	Education services	Australia	100	100	3	3
Insearch Lanka PVT	Education services	Sri Lanka	100	100	944	1,213

Name of entity	Principal activities	Principal place of business	Ownership interest/control		Equity	
			2020 %	2019 %	2020 \$'000	2019 \$'000
accessUTS Pty Limited	Consulting	Australia	100	100	213	238
UTS Global Pty Ltd	Marketing services	Australia	100	100	2,228	2,291
UTS Beijing Ltd	Marketing services	China	100	100	24	(35)
UTS Shenzhen Ltd	Research and education services	China	100	100	1,425	1,546

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 \$148,168 (2019 \$17,651,818) were paid or payable to the ultimate controlling entity.
- Donations amounting to \$400,000 (2019 \$1,100,000) were paid by the ultimate controlling entity to subsidiaries.
- Sale of services and fees \$15,515,028 (2019 \$27,266,503) to the wholly owned University of Technology Sydney group.
- Purchase of services and fees \$13,539,355 (2019 \$22,655,384) by the wholly owned University of Technology Sydney group.
- Purchase of shares in a subsidiary \$0 (2019 \$1,600,000) by the wholly owned University of Technology Sydney group.

### (e) Outstanding balances

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current receivables</b>				
Subsidiaries	-	-	578	748
<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 (2019: \$0) for doubtful debts for outstanding balances due from related parties.

	Revenue		Results		Assets	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>30. Disaggregation information (consolidated)</b>						
<b>Geographical (consolidated entity)</b>						
Australia	1,122,674	1,165,551	(55,159)	13,377	3,492,763	3,517,423
China	7,521	3,998	6,028	2,660	6,368	6,254
United Kingdom	-	-	-	-	-	-
India and sub-continent	79	9	(1,448)	(393)	2,946	3,737
<b>Total</b>	<b>1,130,274</b>	<b>1,169,558</b>	<b>(50,579)</b>	<b>15,644</b>	<b>3,502,077</b>	<b>3,527,414</b>

(a) Includes discontinued operations.

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

The COVID-19 virus is anticipated to have an impact on the university's international student revenue in 2021 mainly in relation to students from Peoples Republic of China.

On 13 April 2021, a significant investment held by the university (Education Australia Ltd) approved a dividend and a distribution of its shareholding in IDP Education Limited (IDP) to shareholders. Once completed, UTS will receive dividend income of approximately \$70 million and a direct shareholding in IDP.

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

	Economic entity (Consolidated)		Parent entity (University)	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>32. Reconciliation of net result after income tax to net cash flows from operating activities</b>				
Net result for the period	(50,579)	15,644	(43,075)	27,599
Depreciation, amortisation and impairment PPE	140,133	127,279	122,471	111,046
Impairment of intangibles	-	-	-	-
Increase/(decrease) in provisions:				
annual leave	(11,363)	2,354	(11,600)	2,444
doubtful debts	2,067	67	2,011	47
long service leave	(4,100)	6,960	(3,489)	6,462
deferred superannuation	(37,185)	33,210	(37,185)	33,210
payroll tax on deferred super provision	(211)	659	(211)	659
Decrease/(increase) in receivables	9,082	(3,967)	10,210	(3,128)
Decrease/(increase) in non-current receivables	37,392	(33,130)	37,392	(33,130)
Decrease/(increase) in prepayments and accrued income	(4,389)	(3,812)	(5,574)	(3,875)
(Decrease)/increase in trade and other payables	(5,004)	16,237	(3,587)	17,095
(Decrease)/increase in income in advance	5,718	21,764	11,267	24,940
Amortisation of prepaid borrowing costs	327	311	327	311
(Profit)/loss on sale of assets	68	349	(95)	413
Share of profit of joint venture not received as dividends or distribution	714	(859)	-	-
Fair value gains on other financial assets at fair value through profit or loss	263	(3,528)	263	(3,528)
Actuarial gain/(loss) on deferred superannuation	(207)	(80)	(207)	(80)
Net cash provided by operating activities	82,726	179,458	78,918	180,485

### 33. Acquittal of Australian Government financial assistance

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

	Notes	Parent entity (University) only							
		Commonwealth Grant Scheme <sup>1</sup>		Indigenous Student Success Program		Access and Participation Fund		Disability Performance Funding	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		216,902	214,246	1,704	1,641	3,531	3,474	543	483
Net accrual adjustments		-	(284)	-	-	(184)	-	-	-
Revenue and income for the period	2.1 (a)	216,902	213,962	1,704	1,641	3,347	3,474	543	483
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Total revenue and income including accrued revenue		216,902	213,962	1,704	1,641	3,347	3,474	543	483
Less expenses including accrued expenses		(216,902)	(213,962)	(1,704)	(1,641)	(3,347)	(3,474)	(543)	(483)
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	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Financial assistance received in cash during the reporting period</b> (total cash received from the Australian Government for the program)		-	-	-	-	222,680	219,844
Net accrual adjustments		-	-	-	-	(184)	(284)
<b>Revenue and income for the period</b>	2.1(a)	-	-	-	-	222,496	219,560
Surplus/(deficit) from the previous year		-	-	-	-	-	-
Total revenue and income including accrued revenue		-	-	-	-	222,496	219,560
Less expenses including accrued expenses		-	-	-	-	(222,496)	(219,560)
<b>Surplus/(deficit) for reporting period</b>		-	-	-	-	-	-

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	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash payable/(receivable) at beginning of year		1,541	1,036	(74)	1,874	(6)	3	1,461	2,913
<b>Financial assistance received in cash during the reporting period</b>		179,752	170,121	55,501	43,086	3,814	3,501	239,067	216,708
<b>Cash available for period</b>		181,293	171,157	55,427	44,960	3,808	3,504	240,528	219,621
Net accrual adjustments		3,557	(1,541)	(2,577)	74	(12)	6	968	(1,461)
<b>Revenue and income for the period</b>	2.1(b)	184,850	169,616	52,850	45,034	3,796	3,510	241,496	218,160
Cash payable/(receivable) at end of year		(3,557)	1,541	2,577	(74)	12	(6)	(968)	1,461

### 33.3 Australian Research Council grants

Parent entity (University) only							
	Notes	Discovery		Linkages		Networks and centres	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Financial assistance received in cash during the reporting period</b> (total cash received from the Australian Government for the programs)		14,530	12,700	3,360	2,928	-	-
Net accrual adjustments		(3,615)	(3,321)	(352)	(466)	538	239
<b>Revenue for the period</b>	2.1(d)	10,915	9,379	3,008	2,462	538	239
Surplus/(deficit) from the previous year		9,496	10,007	3,961	4,464	176	266
Total revenue including accrued revenue		20,411	19,386	6,969	6,926	714	505
Less expenses including accrued expenses		(11,434)	(9,890)	(3,214)	(2,965)	(6)	(329)
<b>Surplus/(deficit) for reporting period</b>		8,977	9,496	3,755	3,961	708	176

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Parent entity (University) only						
		Special research initiatives		Total		
Notes		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)</b>		-	-	17,890	15,628	
Net accrual adjustments		-	-	(3,429)	(3,548)	
<b>Revenue for the period</b>		2.1 (d)	-	-	14,461	12,080
Surplus/(deficit) from the previous year		18	24	13,651	14,761	
Total revenue including accrued revenue		18	24	28,112	26,841	
Less expenses including accrued expenses		(18)	(6)	(14,672)	(13,190)	
<b>Surplus/(deficit) for reporting period</b>		-	18	13,440	13,651	

### 33.4 Other capital funding

Parent entity (University) only						
		Linkage Infrastructure, Equipment and Facilities		Total		
Notes		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>		400	1,995	400	1,995	
Net accrual adjustments		655	(949)	655	(949)	
<b>Revenue for the period</b>		2.1 (e)	1,055	1,046	1,055	1,046
Surplus/(deficit) from the previous year		1,189	2,718	1,189	2,718	
Total revenue including accrued revenue		2,244	3,764	2,244	3,764	
Less expenses including accrued expenses		(1,982)	(2,575)	(1,982)	(2,575)	
<b>Surplus/(deficit) for reporting period</b>		262	1,189	262	1,189	

### 33.5 Education research

Parent entity (University) only								
		Research Training Program <sup>1</sup>		Research Support Program <sup>2</sup>		Total		
Notes		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	
<b>Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)</b>		18,603	17,386	14,408	13,264	33,011	30,650	
Net accrual adjustments		-	-	-	-	-	-	
<b>Revenue for the period</b>		2.1 (c)	18,603	17,386	14,408	13,264	33,011	30,650
Surplus/(deficit) from the previous year		18,603	17,386	14,408	13,264	33,011	30,650	
Total revenue including accrued revenue		18,603	17,386	14,408	13,264	33,011	30,650	
Less expenses including accrued expenses		(18,603)	(17,386)	(14,408)	(13,264)	(33,011)	(30,650)	
<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	5,170	223
Research training program stipends	12,934	276
Research training program allowances	-	-
<b>Total for all types of support</b>	<b>18,104</b>	<b>499</b>

### 33.6 OS-HELP

	Parent entity (University) only	
	OS-HELP	
	2020 \$'000	2019 \$'000
Cash received during the reporting period	7,989	5,618
Cash spent during the reporting period	(414)	(5,937)
<b>Net cash received</b>	<b>7,575</b>	<b>(319)</b>
Cash surplus/(deficit) from previous period	4,220	4,539
Cash surplus/(deficit) for reporting period	11,795	4,220

### 33.7 Higher Education Superannuation Program

	Parent entity (University) only	
	Superannuation program	
	2020 \$'000	2019 \$'000
Cash received during the reporting period	34,284	33,400
University contribution in respect of current employees	-	-
<b>Cash available</b>	<b>34,284</b>	<b>33,400</b>
Cash surplus/(deficit) from previous period	-	-
<b>Cash available for current period</b>	<b>34,284</b>	<b>33,400</b>
Contributions to specified defined benefit funds	(34,284)	(33,400)
Cash surplus/(deficit) for reporting period	-	-

### 33.8 Student Services and Amenties Fee

	Parent entity (University) only	
	SA-HELP	
	2020 \$'000	2019 \$'000
Unspent/(overspent) revenue from previous period		
SA-HELP revenue earned	3,796	3,510
Student services fees direct from students	6,417	6,850
<b>Total revenue expendable in period</b>	<b>10,213</b>	<b>10,360</b>
Student services expenses during period	(10,213)	(10,360)
Unspent/(overspent) student services revenue	-	-

### 34. Financial risk management

The university'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 university'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 university's operations.

The university 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 university's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk. The university 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 university's exposure to market risk for changes in foreign exchange rates relates primarily to the university's payments to overseas suppliers in payables and to a lesser extent foreign currency trade debt for invoices in receivables. The university'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 university 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 university's exposure to market risk for changes in interest rate relates primarily to the university's long-term debt obligations and investments in term deposits. Long-term debt obligations are managed mainly by a revolving \$250 million debt facility with Westpac Banking Corporation (\$100m), National Australia Bank (\$75m) and the Commonwealth Bank of Australia (\$75m). The facility has increased by \$100m from the previous year due to decreased liquidity resulting from the pandemic. As at 31 December 2020, all of the university's borrowings, which has been drawn down, is at a fixed rate of interest.

The university 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 university:

The university has the following instruments:

- bond of \$300 million
- revolving debt facility of \$250 million (2019: \$150m).

##### Cash flow hedges

The university has no cash flow hedges as at 31 December 2020.

##### Summarised sensitivity analysis

The following table summarises the sensitivity of the university'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 0.10% in the 2021 year.

	Carrying amount	Interest rate risk				Foreign exchange risk			
		0.10%		-0.10%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
	\$'000								
<b>31 December 2020</b>									
<b>Financial assets</b>									
Cash and cash equivalents	137,346	137	137	(137)	(137)	-	-	-	-
Receivables	618,007	-	-	-	-	(1)	(1)	1	1
Managed funds	18,119	18	18	(18)	(18)	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-	-
Shares in other organisations	65,928	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	5,092	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>844,492</b>	-	-	-	-	-	-	-	-

	Carrying amount \$'000	Interest rate risk				Foreign exchange risk			
		0.10%		-0.10%		10%		-10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>Financial liabilities</b>									
Payables	73,864	-	-	-	-	99	99	(99)	(99)
Bonds	338,707	-	-	-	-	-	-	-	-
Lease liabilities	160,736	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Derivatives – interest rate swaps	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>573,307</b>								
<b>Total increase/(decrease)</b>	<b>-</b>	<b>155</b>	<b>155</b>	<b>(155)</b>	<b>(155)</b>	<b>98</b>	<b>98</b>	<b>(98)</b>	<b>(98)</b>

	Carrying amount \$'000	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

**31 December 2019**

**Financial assets**

Cash and cash equivalents	146,288	366	366	(366)	(366)	-	-	-	-
Receivables	666,548	-	-	-	-	(160)	(160)	160	160
Managed funds	17,511	43	43	(43)	(43)	-	-	-	-
Derivatives	870	-	-	-	-	-	-	-	-
Shares in other organisations	55,210	-	-	-	-	-	-	-	-
Investments accounted for using the equity method	5,829	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>892,256</b>	<b>-</b>							

**Financial liabilities**

Payables	88,468	-	-	-	-	296	296	(296)	(296)
Bonds	298,537	-	-	-	-	-	-	-	-
Lease liabilities	172,524	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-
Derivatives – interest rate swaps	-	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>559,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase/(decrease)</b>	<b>-</b>	<b>409</b>	<b>409</b>	<b>(409)</b>	<b>(409)</b>	<b>136</b>	<b>136</b>	<b>(136)</b>	<b>(136)</b>

**(b) Credit risk**

Credit risk arises from the financial assets of the university, which comprises cash and cash equivalents (including term deposits), trade and other receivables and other financial assets. The university'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 university 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 university'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.

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**(c) Liquidity risk**

The university'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 three revolving debt facilities: Westpac Banking Corporation for \$100 million, National Australia Bank for \$75 million and the Commonwealth Bank of Australia for \$75 million for a total overall facility of \$250 million. As at 31 December 2020, a total of \$40 million has been drawn down from the Commonwealth Bank of Australia by the university.

The parent entity liquidity ratio in 2020 has been impacted by reduced cash balances due to the COVID-19 pandemic. The university in response to the liquidity risk increased its revolving debt facility by \$100m to \$250m.

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 university's financial assets and financial liabilities. The below table includes principal payments only.

	Average interest rate % (pa)	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest \$'000	Total
<b>31 December 2020</b>							
<b>Financial assets</b>							
Cash and cash equivalents	0.82	-	137,346	-	-	-	137,346
Receivables	-	-	-	-	-	618,007	618,007
Managed funds	4.36	-	-	18,119	-	-	18,119
Derivatives	-	-	-	-	-	-	-
Shares in other organisations	-	-	-	-	-	65,928	65,928
Investments accounted for using the equity method	-	-	-	-	-	5,092	5,092
<b>Total financial assets</b>	-	-	<b>137,346</b>	<b>18,119</b>	-	<b>689,027</b>	<b>844,492</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	73,864	73,864
Bonds and loans	4.04	-	40,000	-	298,707	-	338,707
Lease liabilities	3.83	-	26,566	77,075	57,095	-	160,736
<b>Total financial liabilities</b>	-	-	<b>66,566</b>	<b>77,075</b>	<b>355,802</b>	<b>73,864</b>	<b>573,307</b>
<b>31 December 2019</b>							
<b>Financial assets</b>							
Cash and cash equivalents	2.08	-	146,288	-	-	-	146,288
Receivables	-	-	-	-	-	666,548	666,548
Managed funds	16.74	-	-	17,511	-	-	17,511
Derivatives	-	-	-	-	-	870	870
Shares in other organisations	-	-	-	-	-	55,210	55,210
Investments accounted for using the equity method	-	-	-	-	-	5,829	5,829
<b>Total financial assets</b>	-	-	<b>146,288</b>	<b>17,511</b>	-	<b>728,457</b>	<b>892,256</b>
<b>Financial liabilities</b>							
Payables	-	-	-	-	-	88,468	88,468
Bonds	3.83	-	-	-	298,537	-	298,537
Finance leases and hire purchase liabilities	3.83	-	26,956	83,856	61,712	-	172,524
<b>Total financial liabilities</b>	-	-	<b>26,956</b>	<b>83,856</b>	<b>360,249</b>	<b>88,468</b>	<b>559,529</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:

	2020		2019	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	137,346	137,346	146,288	146,288
Receivables	618,007	618,007	666,548	666,548
Managed funds	18,119	18,119	17,511	17,511
Derivatives	–	–	870	870
Shares in other organisations	65,928	65,928	55,210	55,210
<b>Total financial assets</b>	<b>839,400</b>	<b>839,400</b>	<b>886,427</b>	<b>886,427</b>
<b>Financial liabilities</b>				
Payables	73,864	73,864	88,468	88,468
Bonds	338,707	338,707	298,537	298,537
Finance leases	160,736	160,736	172,524	172,524
<b>Total financial liabilities</b>	<b>573,307</b>	<b>573,307</b>	<b>559,529</b>	<b>559,529</b>

The university 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.

**(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 2020 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	598,938	–	598,938	–
Other financial assets at fair value through profit or loss – managed funds	11	18,119	18,119	–	–
Investments in equity instruments designated at fair value through other comprehensive income	11	65,187	–	65,187	–
Other financial assets at amortised cost	11	741	741	–	–
<b>Total financial assets</b>		<b>682,985</b>	<b>18,860</b>	<b>664,125</b>	<b>–</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	2,208,572	–	3,530	2,205,042
<b>Total non-financial assets</b>		<b>2,208,572</b>	<b>–</b>	<b>3,530</b>	<b>2,205,042</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>

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	Notes	31 Dec 2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Receivables	10	636,330	-	636,330	-
Other financial assets at fair value through profit or loss – managed funds	11	18,381	18,381	-	-
Investments in equity instruments designated at fair value through other comprehensive income	11	54,769	-	54,769	-
Other financial assets at amortised cost	11	441	441	-	-
<b>Total financial assets</b>		<b>709,921</b>	<b>18,822</b>	<b>691,099</b>	<b>-</b>
<b>Non-financial assets</b>					
Land, buildings, infrastructure and works of art	15	2,093,327	-	3,244	2,090,083
<b>Total non-financial assets</b>		<b>2,093,327</b>	<b>-</b>	<b>3,244</b>	<b>2,090,083</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 university 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 university for similar financial instruments. For the period ending 31 December 2020, the borrowing rate is 4.04 per cent which is predominantly based on the yield rate on the \$300 million bond (3.825%). 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 university 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 2020 and 31 December 2019.

	Unlisted securities \$'000	Land, buildings and infrastructure \$'000	Total \$'000
<b>31 December 2020</b>			
Opening balance	-	2,090,083	2,090,083
Acquisitions	-	66,939	66,939
Disposals	-	(9,425)	(9,425)
Transfers in due to reclassification	-	75,458	75,458
Transfers from level 1	-	-	-
Transfers from level 2	-	-	-
Transfers out of level 3	-	-	-
Recognised in profit or loss	-	(66,312)	(66,312)
Recognised in other comprehensive income	-	48,299	48,299
<b>Closing balance</b>	<b>-</b>	<b>2,205,042</b>	<b>2,205,042</b>
<b>31 December 2019</b>			
Opening balance	-	1,771,897	1,771,897
Acquisitions	-	336,218	336,218
Disposals	-	-	-
Transfers from level 1	-	-	-
Transfers from level 2	-	-	-
Transfers out of level 3	-	-	-
Recognised in profit or loss	-	(53,446)	(53,446)
Recognised in other comprehensive income	-	35,414	35,414
<b>Closing balance</b>	<b>-</b>	<b>2,090,083</b>	<b>2,090,083</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 2020

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 Iain Watt (Chair)  
Mr Patrick Woods  
Professor Chris Earley

2. The Directors held four (4) ordinary meetings and zero (0) annual general meeting during the year ended 31<sup>st</sup> December 2020. Attendance at those meetings was as follows:

	Number of Meetings	Meetings Attended
Mr Iain Watt	4	4
Mr Patrick Woods	4	4
Professor Chris Earley	4	4

3. Other directorships held by Directors are as follows:

Mr Iain Watt  
Insearch Pty Ltd  
Insearch Shanghai Ltd  
UTS Beijing  
UTS Research and Innovation Institute (Shenzhen) Co. Ltd

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

Professor Chris Earley  
Insearch Pty Ltd

4. 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 2020

5. Operations for the financial period ended 31 December 2020 resulted in a loss of \$62,862.
6. The Company issued one share with University of Technology Sydney as the sole shareholder with \$1.6 million shareholding. The University's total shareholding in The Company is \$1,600,001.
7. The Company has invested \$1.6 million in UTS Research and Innovation Institute (Shenzhen) Co. Ltd. UTS Research and Innovation Institute (Shenzhen) Co. Ltd is a company limited by shares, incorporated and domiciled in China and is a wholly owned subsidiary of the UTS Global Pty Ltd.  
  
The company's principal business activities are to jointly work with University Technology Sydney to provide research activities and programs in the areas of computational intelligence and its applications.
8. In 2020 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.
9. No Director of the Company has, during and since the end of the financial period, received or become entitled to receive any benefits.
10. 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.
11. A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is attached.
12. 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.
13. The Company's operations comply with the environmental regulations under both Commonwealth and State legislation.

Signed on



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 2020

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 2020 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 13th April 2021 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 2020

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 2020 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 13th April 2021



Director  
Mr Iain Watt



Director  
Mr Patrick Woods

## Statement of comprehensive income

for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
<b>Continuing operations</b>			
Revenue from continuing operations	2	402,626	1,100,360
Other expenses	3	465,488	657,371
<b>Profit before income tax</b>		<b>(62,862)</b>	<b>442,989</b>
Net result for the period for continuing operations		(62,862)	442,989
Net result for the period is attributable to the owners		(62,862)	442,989
<b>Total comprehensive income is attributable to the owners</b>		<b>(62,862)</b>	<b>442,989</b>

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

## Statement of financial position

as at 31 December 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	532,065	2,165,249
Receivables	5	12,948	33,497
<b>Total current assets</b>		<b>545,013</b>	<b>2,198,746</b>
<b>Non-current assets</b>			
Other financial assets	6	1,700,000	1,700,000
<b>Total non-current assets</b>		<b>1,700,000</b>	<b>1,700,000</b>
<b>Total assets</b>		<b>2,245,013</b>	<b>3,898,746</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	7	16,500	1,607,371
<b>Total current liabilities</b>		<b>16,500</b>	<b>1,607,371</b>
<b>Total liabilities</b>		<b>16,500</b>	<b>1,607,371</b>
<b>Net assets</b>		<b>2,228,513</b>	<b>2,291,375</b>
<b>Equity</b>			
Retained earnings	8	628,512	691,374
Share capital	9	1,600,001	1,600,001
<b>Total equity</b>		<b>2,228,513</b>	<b>2,291,375</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 2020

	Retained earnings \$	Share capital \$	Total \$
Balance at 1 January 2019	248,385	1,600,001	1,848,386
Profit for the period	442,989	-	442,989
<b>Balance at 31 December 2019</b>	<b>691,374</b>	<b>1,600,001</b>	<b>2,291,375</b>
Balance at 1 January 2020	691,374	1,600,001	2,291,375
Profit for the period	(62,862)	-	(62,862)
Transactions with owners recorded directly in equity	-	-	-
<b>Balance at 31 December 2020</b>	<b>628,512</b>	<b>1,600,001</b>	<b>2,228,513</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 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Contribution from UTS		400,000	1,100,000
Interest received		2,626	360
Bank fees and charges		(120)	(120)
Payment to supplier and other related parties		(436,360)	(690,603)
GST refund		670	1,458
<b>Net cash provided by/(used in) operating activities</b>	12	<b>(33,184)</b>	<b>411,095</b>
<b>Cash flows from investing activities</b>			
Share capital in UTS SHENZEN		(1,600,000)	-
<b>Net cash used in investing activities</b>		<b>(1,600,000)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Issue capital in UTS Global		-	1,600,000
<b>Net cash used in financing activities</b>		<b>-</b>	<b>1,600,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,633,184)</b>	<b>2,011,095</b>
Cash and cash equivalents at the beginning of the financial year		2,165,249	154,154
<b>Cash and cash equivalents at the end of the financial year</b>		<b>532,065</b>	<b>2,165,249</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 (UTS).

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 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 an 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

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

Investments in equity investments in non-listed companies are classified as financial assets at fair value through other comprehensive income. The policy of management is to elect 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 will initially be 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.

### (e) Income recognition

Income is comprised primarily of contributions from parent entity UTS in order for UTS Global Pty Ltd to pursue its objectives. These contributions received do not give rise to any specific performance obligations and as such are recognised upfront as revenue in accordance with AASB 1058 Income of Not-For-Profit Entities.

Income from sales or the provision of services including consultancy and contract revenue is recognised under AASB 15 Revenue from Contracts with Customers and is recognised as revenue in the period in which the specific performance obligations have been met.

Income 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.

#### (ii) Income tax

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

**Financial statements: UTS Global Pty Ltd**  
**Notes to the financial statements**  
**for the year ended 31 December 2020**

**(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**

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 company's statutory accounts. The company has not exercised the right to early adopt any new or revised accounting standard.

**(i) Changes in accounting policy**

There have been no changes to accounting policy in the 2020 year apart from the adoption of certain mandatory standards.

**(j) Basis of consolidation**

UTS Global has two subsidiaries, UTS Beijing Limited and UTS Research and Innovation Institute (Shenzhen) Co Limited, which are consolidated at the ultimate parent level.

**(k) Exemption from audit**

UTS Global Pty Ltd has satisfied the requirements of Schedule 2 to the Public Finance and Audit Regulation 2015 and therefore was not required to have the statutory accounts audited in 2020.

	Notes	2020 \$	2019 \$
<b>2. Income from continuing operations</b>			
Contribution from UTS		400,000	1,100,000
Interest earned		2,626	360
<b>Total revenue from continuing operations</b>		<b>402,626</b>	<b>1,100,360</b>
<b>3. Expenses from continuing operations</b>			
Consulting		415,891	650,550
Audit fee		49,477	6,701
Bank fees and charges		120	120
<b>Total expenses from continuing operations</b>		<b>465,488</b>	<b>657,371</b>
<b>4. Cash and cash equivalents</b>			
Cash at bank and on hand		532,065	2,165,249
<b>Total cash and cash equivalents</b>		<b>532,065</b>	<b>2,165,249</b>
<b>5. Receivables</b>			
UTS Shenzhen Limited		8,000	32,826
GST receivables		4,948	671
<b>Total receivables</b>		<b>12,948</b>	<b>33,497</b>
<b>6. Non-current assets</b>			
Shares in UTS Beijing Limited		100,000	100,000
Shares in UTS Shenzhen Limited		1,600,000	1,600,000
<b>Total other non-financial assets</b>		<b>1,700,000</b>	<b>1,700,000</b>

Notes	2020 \$	2019 \$
<b>7. Payables</b>		
UTS Shenzhen Limited	-	1,600,000
Accrual – audit	16,500	7,371
<b>Total payables</b>	<b>16,500</b>	<b>1,607,371</b>
<b>8. Retained earnings</b>		
Balance at the beginning of the period	691,374	248,385
Surplus/(deficit) for the period	(62,862)	442,989
<b>Balance as at 31 December</b>	<b>628,512</b>	<b>691,374</b>
<b>9. Share capital</b>		
Ordinary shares	1,600,001	1,600,001
<b>Total share capital</b>	<b>1,600,001</b>	<b>1,600,001</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 2020 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 of cash and cash equivalents. UTS Global 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. UTS Global Ltd trades only with recognised, creditworthy third parties and as such collateral is not requested.

	2020 \$	2019 \$
Credit risk by classification of counterparty:		
Cash and cash equivalent assets		
bank	532,064	2,165,248
on hand	1	1
receivables	12,948	33,497
	<b>545,013</b>	<b>2,198,746</b>

**Financial statements: UTS Global Pty Ltd**  
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**(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:

	2020 \$	2019 \$
Cash at bank and on hand	532,065	2,165,249
<b>(b) Reconciliation of profit to net cash provided by operating activities</b>		
Profit/(loss) for the year	(62,862)	442,989
Decrease/(increase) in receivables	20,549	(32,038)
(Decrease)/increase in payables	9,129	144
Prepayments	-	-
<b>Net cash provided by operating activities</b>	<b>(33,184)</b>	<b>411,095</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 2020.

	Notes	2020 \$	2019 \$
<b>15. Remuneration of auditors</b>			
Fees paid to the Audit Office of New South Wales for audit and review of financial statements		-	6,701

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 have 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**

# accessUTS Pty Limited

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Directors' declaration

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Statutory audit report

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Independent audit report

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## Directors' report

for the year ended 31 December 2020

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2020.

### Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Patrick Thomas Woods	Director
Nicholas William Glover	Director
Taia Rowe	Director
Roula Christodoulidies	Director (Resigned 10 December 2020)

### Principal activities

The principal activities 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 these activities during the year.

### Review of operations

The loss for the company after providing for income tax amounted to \$24,975 (31 December 2019: \$84,262).

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

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

### Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

### Environmental regulation

The Company is not subject to any particular or significant environmental regulation 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.

### Shares under option

There were no unissued ordinary shares of the company under option outstanding at the date of this report.

### Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 31 December 2020 and up to the date of this report.

### Indemnity and insurance of officers

The company has not indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

During the financial year, no premium was paid in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. 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 Ltd.

## Directors' report (continued)

for the year ended 31 December 2020

### Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor or company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Patrick Thomas Woods  
Director

9 April 2021

## Directors' declaration

for the year ended 31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Public Finance and Audit 1983, the Public Finance and Audit Regulation 2015, the Australian Accounting Standards, the Corporati Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become and payable.
- The directors are not aware of any circumstances that would render any particulars included in the finar statements to be misleading or inaccurate.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

Patrick Thomas Woods  
Director

9 April 2021

# Statutory audit report



Mr Patrick Woods  
Deputy Vice Chancellor  
accessUTS Pty Limited  
PO BOX 123  
BROADWAY NSW 2000

Contact: Sally Bond  
Phone no: 9275 7172  
Our ref: D2105827/1242

13 April 2021

Dear Mr Woods

## **STATUTORY AUDIT REPORT**

**for the year ended 31 December 2020**

**accessUTS Pty Limited**

I have audited the financial statements of accessUTS Pty Limited as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 31 December 2020, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of accessUTS Pty Limited. The PF&A Act requires me to send this report to accessUTS Pty Limited, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on accessUTS Pty Limited's financial statements. I enclose the Independent Auditor's Report, together with accessUTS Pty Limited's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

### **Audit result**

I expressed an unmodified opinion on accessUTS Pty Limited's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

## Statutory audit report (continued)

### Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with accessUTS Pty Limited's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes are reported in a Statutory Audit Report
- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to accessUTS Pty Limited.

The financial statements did not contain any significant misstatements. Some minor amendments to disclosures were made.

### Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on accessUTS Pty Limited's financial statements. This includes testing whether accessUTS Pty Limited complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context.

My testing did not identify any reportable instances of non-compliance with legislative requirements.

### Auditor-General's Report to Parliament

A 2021 Auditor-General's Report to Parliament will incorporate the results of the audit.

### Publication of the Statutory Audit Report

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

### Acknowledgment

I thank accessUTS Pty Limited's staff for their courtesy and assistance.

Yours sincerely



Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

# 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 directors' declaration, the Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

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 2020 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 (including Independence Standards)' (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 confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 9 April 2021, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

The annual report of the University of Technology Sydney (the University) for the year ended 31 December 2020 includes other information in addition to the financial report of the Company 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 comprises the Company's Director's Report and Directors' Declaration.

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.

### The 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, the *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.

### 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)

The scope of my audit does not include, nor 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.



Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 April 2021  
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 2020, 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.

S Bond

Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

9 April 2021  
SYDNEY

## Statement of profit or loss and other comprehensive income

for the year ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Rendering of services</b>	3	926,040	2,191,768
Interest revenue		3,827	7,917
Government grants		38,138	-
<b>Total revenue</b>		<b>968,005</b>	<b>2,199,685</b>
<b>Expenses</b>			
Employee benefits expenses		(207,163)	(549,908)
Other operating expenses	5	(785,817)	(1,734,039)
<b>Loss before income tax expense</b>		<b>(24,975)</b>	<b>(84,262)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the year attributable to the owners of accessUTS Pty Limited</b>		<b>(24,975)</b>	<b>(84,262)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of accessUTS Pty Limited</b>		<b>(24,975)</b>	<b>(84,262)</b>

The accompanying notes form part of these financial statements.

## Statement of financial position

as at 31 December 2020

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	668,507	887,651
Trade and other receivables	7	76,336	153,531
Income tax refund due		-	1,495
<b>Total current assets</b>		<b>744,843</b>	<b>1,042,677</b>
<b>Total assets</b>		<b>744,843</b>	<b>1,042,677</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	316,526	607,309
Income received in advance	9	180,150	162,226
Borrowings	11	35,000	35,000
<b>Total current liabilities</b>		<b>531,676</b>	<b>804,535</b>
<b>Total liabilities</b>		<b>531,676</b>	<b>804,535</b>
<b>Net assets</b>		<b>213,167</b>	<b>238,142</b>
<b>Equity</b>			
Issued capital	10	450,001	450,001
Accumulated losses		(236,834)	(211,859)
<b>Total equity</b>		<b>213,167</b>	<b>238,142</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

for the year ended 31 December 2020

	Issued capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 January 2019</b>	450,001	(127,597)	322,404
Loss after income tax expense for the year	-	(84,262)	(84,262)
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive income for the year</b>	-	(84,262)	(84,262)
<b>Balance at 31 December 2019</b>	<b>450,001</b>	<b>(211,859)</b>	<b>238,142</b>
<b>Balance at 1 January 2020</b>	450,001	(211,859)	238,142
Loss after income tax expense for the year	-	(24,975)	(24,975)
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive income for the year</b>	-	(24,975)	(24,975)
<b>Balance at 31 December 2020</b>	<b>450,001</b>	<b>(236,834)</b>	<b>213,167</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows

for the year ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,077,476	2,419,648
Payments to suppliers (inclusive of GST)		(1,132,994)	(2,447,902)
Payments to employees		(207,163)	(546,696)
Interest received		3,827	7,917
Government grants received		38,138	-
Income taxes refunded		1,572	-
<b>Net cash used in operating activities</b>		<b>(219,144)</b>	<b>(567,033)</b>
<b>Net cash from investing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>		<b>-</b>	<b>-</b>
Net decrease in cash and cash equivalents		(219,144)	(567,033)
Cash and cash equivalents at the beginning of the financial year		887,651	1,454,684
<b>Cash and cash equivalents at the end of the financial year</b>	6	<b>668,507</b>	<b>887,651</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 2020

#### 1. Reporting entity

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### New or amended accounting standards and interpretations adopted

The company has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the company.

##### 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 (AASB), the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the Corporations Act 2001, as appropriate for for-profit oriented entities.

##### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments

##### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

##### Foreign currency translation

The financial statements are presented in Australian dollars, which is accessUTS Pty Limited's functional and presentation currency.

##### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Company's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (ie translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration

##### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate in Australia, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits, or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

#### Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## 2. Critical accounting judgements, estimates and assumptions

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, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the coronavirus (COVID-19) pandemic.

	2020 \$	2019 \$
<b>3. Rendering of services</b>		
Consulting fees	133,647	572,997
Training courses	792,393	1,618,771
<b>Total rendering of services</b>	<b>926,040</b>	<b>2,191,768</b>

### Accounting policy for revenue recognition

The company recognises revenue as follows:

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

#### Rendering of services

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 courses delivered in the period and is recognised when the courses are scheduled to run.

#### Training course revenue

Training course revenue represents revenue from services provided by the entity and is recognised when the services are provided.

#### Consulting revenue

Consulting revenue represents revenue from external consulting projects undertaken and is recognised upon completion of service delivery or satisfaction of performance obligations.

#### VET course revenue

VET course revenue represents revenue from delivering workplace specific skills and knowledge and is recognised upon completion of service delivery or satisfaction of performance obligations.

#### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

	2020 \$	2019 \$
<b>4. Employee benefits expenses</b>		
Employee benefits expenses	207,163	549,908
<b>5. Other operating expenses</b>		
Consulting fees	482,211	881,363
General and administrative expenses	48,958	393,824
Service level agreement — Commercial Service Unit	226,423	427,331
Auditor remuneration	28,225	29,746
Foreign exchange loss (net)	-	1,775
<b>Total other operating expenses</b>	<b>785,817</b>	<b>1,734,039</b>
<b>6. Cash and cash equivalents</b>		
<b>Current assets</b>		
Cash at bank	230,524	450,380
Cash on deposit	437,983	437,271
	<b>668,507</b>	<b>887,651</b>

**Accounting policy for 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.

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

	2020 \$	2019 \$
<b>7. Trade and other receivables</b>		
<b>Current assets</b>		
Trade receivables	26,246	124,197
Less: Allowance for expected credit losses	-	(3,489)
	26,246	120,708
Other receivables	27,759	31,849
Prepayments	22,331	974
	<b>76,336</b>	<b>153,531</b>

**Accounting policy for trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses

	2020 \$	2019 \$
<b>8. Trade and other payables</b>		
<b>Current liabilities</b>		
Trade payables	4,664	40,827
Amounts due to associates	249,065	470,064
Accrued expenses	54,839	63,427
Other payables	7,958	32,991
<b>Total rendering of services</b>	<b>316,526</b>	<b>607,309</b>

**Accounting policy for trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	2020 \$	2019 \$
<b>9. Income received in advance</b>		
<b>Current liabilities</b>		
Income received in advance	180,150	162,226

**Financial statements: accessUTS Pty Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2020**

**Accounting policy for income received in advance**

Income received in advance represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer. Income received in advance are recognised as revenue when the company performs under the contract.

	2020 \$	2019 \$
<b>10. Issued capital</b>		
Ordinary shares - fully paid	450,001	450,001

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital

**Accounting policy for issued capital**

Ordinary shares are classified as equity.

	2020 \$	2019 \$
<b>11. Financial instruments</b>		
<b>Financial assets</b>		
Financial assets at amortised cost		
Trade and other receivables	76,336	153,531
Total current	76,336	153,531
<b>Financial liabilities: interest-bearing loans and borrowings</b>		
Unsecured	35,000	35,000
Total interest-bearing loans and borrowings	35,000	35,000

**Financial risk management objectives**

The company's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade receivables, cash and short-term deposits that derive directly from its operations. The company also holds investments in debt and equity instruments and enters into derivative transactions.

The company's principal financial instruments comprise of cash, short term deposits, accounts receivable and payable and loans from the parent entity. These activities expose the company to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk.

**Net fair values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

The net fair values of financial assets and financial liabilities are determined as follows:

The net fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and the net fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow theory.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Credit risk**

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

The company trades only with recognised, creditworthy third parties, and as such collateral is not requested as it is the company's policy to scrutinise its trade or other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk in relation to trade receivables by undertaking transactions with many customers.

**Liquidity risk**

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by the following mechanisms:

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

**Interest rate risk**

The company's exposure to market interest rates relates primarily to cash and short term deposits held.

**Sensitivity analysis**

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and nonderivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables held constant, the company's net profit and net assets would increase by \$6,685 and decrease by \$6,685 respectively (2019: increase by \$8,876 and decrease by \$8,876). This is attributable to the company's exposure to interest rates on its cash and cash equivalents.

	Equity higher/(lower)		Post-tax profit higher/(lower)	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>Judgements of reasonably possible movements</b>				
+0.5% (50 basis points)	2,606	2,602	2,606	2,602
-0.5% (50 basis points)	(460)	(459)	(460)	(459)

**12. Fair value measurement****Accounting policy for fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**13. Key management personnel disclosures****Directors**

The names of the directors of the company during the financial year are set out in 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 year, other than remuneration as detailed below.

**Compensation**

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2020 \$	2019 \$
Aggregate compensation	-	-

**14. Commitments and contingencies**

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

## 15. Related party transactions

### Parent entity

The parent entity is University of Technology Sydney, an entity incorporated in New South Wales. Disclosures relating to key management personnel are set out in note 13.

### Transactions with the parent entity

The following transactions occurred during the year between the company and University of Technology Sydney.

#### Services provided by University of Technology Sydney

University of Technology Sydney 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. (2020: \$226,422.68)

#### Faculty costs charged by University of Technology Sydney

The services of various University of Technology Sydney personnel were utilised by the company during the year. In return, the company paid fees to various UTS faculties. (2020: \$51,613.20)

#### Training and development services provided to University of Technology Sydney

The company is a registered training organisation (RTO) and provided training and development services to University of Technology Sydney. In return, the company charged certification fees to University of Technology Sydney. (2020: \$nil)

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

#### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2020 \$	2019 \$
<b>Current receivables</b>		
Amount receivable from parent entity	2,393	35,615
<b>Current payables</b>		
Amount payable to parent entity	–	(5,337)
Other payable to parent entity	249,065	446,958

#### Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2020 \$	2019 \$
<b>Current borrowings</b>		
Loans from parent entity	35,000	35,000

### Wholly owned group

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

#### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by, the auditor of the company:

	2020 \$	2019 \$
<b>Audit services</b>		
Audit or review of the financial report of the entity and any other entity in the consolidated group	28,225	29,746

## 17. Economic dependency

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

**18. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**19. Reconciliation of profit after income tax to net cash from/(used in) operating activities**

	2020 \$	2019 \$
Profit after income tax (expense)/benefit for the year	(24,975)	(84,262)
<b>Adjustments for:</b>		
Provision for doubtful debts	(3,489)	3,489
<b>Change in operating assets and liabilities</b>		
Decrease in trade and other receivables, contract assets and prepayments	82,179	117,758
Decrease in payables and provisions	(290,783)	(564,956)
Increase/(decrease) in income in advance	17,924	(39,062)
Net cash flows used in operating activities	(219,144)	(567,033)

**End of audited financial statements**

# Insearch Limited

Directors' report

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Directors' declaration

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Independent auditor's report

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Auditor's independence declaration

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Statement of comprehensive income

---

Statement of financial position

---

Statement of changes in equity

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Statement of cash flows

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Notes to the financial statements

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1. The company

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2. Summary of significant accounting policies

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3. Financial risk management

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4. Revenue from contracts with customers

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5. Other income

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6. Expenses

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7. Cash and cash equivalents

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8. Trade receivables

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9. Financial assets at amortised cost

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10. Other assets

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11. Investments accounted for using the equity method

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12. Property, plant and equipment

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13. Intangible assets

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14. Trade and other payables

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15. Lease liabilities

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16. Employee benefit obligations

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17. Other liabilities

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18. Provisions

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19. Reserves and retained surplus

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20. Key management personnel disclosures

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21. Related party transactions

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22. Subsidiaries

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23. Remuneration of auditors

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24. Members' guarantee

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25. COVID-19 impact

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26. Events occurring after the reporting period

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27. Cash flow information

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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.

### Directors

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

	Date of appointment
Emeritus Vice-Chancellor RD Milbourne AO	1 March 2016
Ms JN Anderson	28 November 2017
Dr A M Dwyer	25 November 2019
Mr G A Freeland	28 March 2017
Mr A Murphy	3 September 2007
Mr I Watt	17 July 2018
Professor PC Earley	1 July 2018
Mr M Leigh	1 October 2019

### Company Secretary

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

Mr N L Patrick (appointed 21 October 2010)

### Principal activities

The activities of Insearch Limited during the financial year ended 31 December 2020 were the provision of English language, foundation and academic courses that are designed as pathways to university studies.

There was no significant change in the nature of the activity of the company during the year.

### Review and result of operations

Insearch Limited reported a deficit of \$7.3m (2019: surplus of \$4.6m) before the payment of a donation to the University of Technology Sydney of \$nil (2019: \$17.2m).

### Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the group has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include disruptions to the supply chain, availability of employees and changes in customer demand.

### Event since the end of the financial year

Except as noted above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

### 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.

### Directors' 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 \$12,020 (2019: \$8,137) per sections 300 (1)(g), 300(8) and 300(9) of the Corporations Act 2001.

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.

## Directors' report (continued)

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).

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 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 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

Ms Anderson has over 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.

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

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

Dr Dwyer was re-appointed to the Insearch Limited Board as the UTS Council-appointed director, effective 25 November 2019. She was previously a director for a four year period between March 2015 and September 2019.

Dr Dwyer was formerly Deputy Vice-Chancellor and Vice-President (Corporate Services) at UTS from 2004 until 2019, where she oversaw Human resources, information technology, student administration, marketing and communication, governance support and legal services.

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

Dr 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 ten years with PwC in its audit and corporate services groups.

Mr Freeland is also Chair of the Advisory Board for a privately owned security services company.

Mr Freeland holds a Bachelor of Commerce from the University of New South Wales, has been a Chartered Accountant for more than 40 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 College for close to 30 years, having worked in education and marketing roles, and from late 2007, in the role of Managing Director. 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 UTS College, he has focused on working with the fantastic staff to expand and diversify the student population, extend delivery of UTS College 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 UTS College to UTS. Sponsorships and scholarship initiatives have also grown; they include humanitarian scholarships, the UTS Indigenous Strategy and the UTS College South East Aboriginal Arts Initiative.

He looks forward to the next phase of development for UTS College, which includes investment in people development, further improvement to the quality and innovation of learning and teaching, and working more closely and innovatively with UTS. The UTS College 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.

## Directors' report (continued)

### Mr Iain Watt, BSc (ANU)

Non-Executive Director

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

Professor Chris Earley has over 25 years of teaching and research experience at top business schools around the globe and over 18 years of administrative experience as a dean across three continents. He has been Dean of 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, Chris 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.

### Mr Mark Leigh

Non-Executive Director

Mr Leigh is the Chief Financial Officer (CFO) for UTS. With a large organisation reporting directly to him, he is responsible for supporting the UTS strategy of excellence in teaching and learning, research and engagement. He is directly responsible for all finance functions including long-term strategic planning, university performance, debt and capital management, Shared services operations, procurement, compliance and other finance functions.

Mr Leigh is a transformational CFO with experience in leading Australian and US multinational companies. He has worked for leading companies and institutions including five years at Qantas, nine years at Microsoft (including two years based in Singapore), six years at Hudson Global and two years at Mylan (Alphapharm).

He has extensive experience in building and leading high performance finance and IT functions that are focused on delivering business insight, business excellence and leadership.

### Information on Company Secretary

#### Mr Nathan Patrick, BBus, MTerED (Mgt), GradDipACG, FCA, FGIA, FCG, FAICD

Chief Financial Officer and Company Secretary

Mr Patrick was appointed Chief Financial Officer (CFO) and Company Secretary of Insearch Limited in 2010. He was subsequently appointed a director or legal representative for the subsidiaries of Insearch Limited which collectively trade as part of UTS College.

As CFO/Company Secretary he leads all financial and governance activities and teams. The governance portfolio includes, legal, company secretariat, project assurance, strategic planning, internal audit, campus planning, risk management, corporate compliance and offshore legal entities.

Mr Patrick has completed tertiary studies in three disciplines: Business (Accounting), Corporate Governance and Tertiary Education Management.

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 Chartered Governance Institute.

## Directors' report (continued)

### 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 2020, and the numbers of meetings attended by each director were:

Director	Insearch Board meetings (9)		Audit and Risk Committee meetings (4) <sup>1</sup>		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	9	9	4 <sup>2</sup>	4	3 <sup>2</sup>	-	4 <sup>2</sup>	2
Nell Anderson	9	9	-	-	3	3	-	-
Anne Dwyer	9	9	4	4	3	3	-	-
Guy Freeland	9	9	4	4	-	-	-	-
Alex Murphy	9	9	-	3	-	3	-	4
Iain Watt	9	9	-	-	-	-	-	-
Chris Earley	9	9	-	2	3	2	-	-
Mark Leigh	9	9	4	4	-	-	-	-

1. Directors have an open invitation to attend any Audit and Risk Committee meeting and Academic Board meeting.

2. Ex-officio member of all board committees.

### 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 is set out in this report.

For and on behalf of the directors signed at Sydney this 24 March 2021.



Emeritus Vice-Chancellor R D Milbourne, AO  
Director



Mr A Murphy  
Director

Sydney

24 March 2021

## 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 set are in accordance with the Corporations Act 2001, 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 2020 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.

Signed on behalf of the Board of Directors



Emeritus Vice-Chancellor RD Milbourne, AO, Director



Mr A Murphy, Director

24 March 2021

## 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 directors' declaration, the Statement of Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information 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 2020 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 (including Independence Standards)' (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.

## Independent auditor's report (continued)

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 24 March 2021, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

### Other Information

The Company's annual report for the year ended 31 December 2020 includes other information in addition to the financial report of the Company 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 comprises the Director's Report and Directors' Declaration.

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.

### The 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, the *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 and the consolidated entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

### 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.

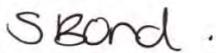
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, 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)

The scope of my audit does not include, nor 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.



Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 March 2021  
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 2020, 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.

S Bond .

Sally Bond  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

24 March 2021  
SYDNEY

## Statement of comprehensive income

for the year ended 31 December 2020

	Notes	Consolidated entity		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Revenue from contracts with customers	4	72,424	108,022	72,349	108,013
Other income	5	9,166	1,544	9,535	2,042
<b>Total revenue and income from continuing operations</b>		<b>81,590</b>	<b>109,566</b>	<b>81,884</b>	<b>110,055</b>
Employee benefits expenses	6(a)	(43,439)	(49,021)	(42,397)	(48,268)
Depreciation and amortisation expense	6(b)	(17,497)	(16,175)	(16,618)	(15,769)
Net impairment losses on financial assets		(63)	(41)	(63)	(41)
Other expenses	6(c)	(25,454)	(38,268)	(28,129)	(39,306)
Finance costs		(2,213)	(2,268)	(2,003)	(2,235)
Share of net (loss)/profit of associate and joint venture accounted for using the equity method	11	(235)	837	-	-
<b>Total expenses from continuing operations</b>		<b>(88,901)</b>	<b>(104,936)</b>	<b>(89,210)</b>	<b>(105,619)</b>
<b>Operating (deficit)/surplus before donation</b>		<b>(7,311)</b>	<b>4,630</b>	<b>(7,326)</b>	<b>4,436</b>
Donation to University of Technology Sydney		-	(17,194)	-	(17,194)
<b>Deficit for the year attributable to members</b>		<b>(7,311)</b>	<b>(12,564)</b>	<b>(7,326)</b>	<b>(12,758)</b>
<b>Other comprehensive loss</b>					
<b>Items that may be reclassified to profit or loss</b>					
Exchange differences on translation of foreign operations	19(a)	(227)	(62)	-	-
<b>Other comprehensive (loss)/income for the year</b>		<b>(227)</b>	<b>(62)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year attributable to members</b>		<b>(7,538)</b>	<b>(12,626)</b>	<b>(7,326)</b>	<b>(12,758)</b>

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

# Statement of financial position

as at 31 December 2020

	Notes	Consolidated entity		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	37,935	46,423	36,439	45,421
Trade receivables	8	447	520	444	518
Financial assets at amortised cost	9	2,580	1,166	2,409	1,105
Other assets	10	4,032	5,238	3,932	5,171
<b>Total current assets</b>		<b>44,994</b>	<b>53,347</b>	<b>43,224</b>	<b>52,215</b>
<b>Non-current assets</b>					
Investments accounted for using the equity method	11	108	746	-	-
Property, plant and equipment	12	61,343	75,161	58,599	71,654
Intangible assets	13	6,236	5,870	6,236	5,870
Other assets	10	246	323	2,283	2,622
<b>Total non-current assets</b>		<b>67,933</b>	<b>82,100</b>	<b>67,118</b>	<b>80,146</b>
<b>Total assets</b>		<b>112,927</b>	<b>135,447</b>	<b>110,342</b>	<b>132,361</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	14	1,006	1,727	772	1,575
Lease liabilities	15	12,556	11,877	11,880	11,216
Contract liabilities	4(b)	17,845	22,217	17,826	22,214
Employee benefit obligations	16	5,874	5,495	5,874	5,495
Other current liabilities	17	3,828	4,552	3,597	4,523
<b>Total current liabilities</b>		<b>41,109</b>	<b>45,868</b>	<b>39,949</b>	<b>45,023</b>
<b>Non-current liabilities</b>					
Lease liabilities	15	36,060	45,612	34,849	43,797
Provisions	18	4,510	4,429	4,510	4,429
Employee benefit obligations	16	1,967	2,719	1,967	2,719
<b>Total non-current liabilities</b>		<b>42,537</b>	<b>52,760</b>	<b>41,326</b>	<b>50,945</b>
<b>Total liabilities</b>		<b>83,646</b>	<b>98,628</b>	<b>81,275</b>	<b>95,968</b>
<b>Net assets</b>		<b>29,281</b>	<b>36,819</b>	<b>29,067</b>	<b>36,393</b>
<b>Equity</b>					
Reserves	19(a)	(960)	(733)	-	-
Retained surplus	19(b)	30,241	37,552	29,067	36,393
<b>Total equity</b>		<b>29,281</b>	<b>36,819</b>	<b>29,067</b>	<b>36,393</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 2020

	Notes	Reserves	Retained surplus	Total equity
		\$'000	\$'000	\$'000
<b>Consolidated</b>				
Balance at 1 January 2019		(671)	50,076	49,405
Change in accounting policy		-	40	40
<b>Restated total equity at 1 January 2019</b>		<b>(671)</b>	<b>50,116</b>	<b>49,445</b>
Deficit for the year	19(b)	-	(12,564)	(12,564)
Exchange differences on translation of foreign operations	19(a)	(62)	-	(62)
<b>Total comprehensive income/(loss) for the year</b>		<b>(62)</b>	<b>(12,564)</b>	<b>(12,626)</b>
<b>Balance at 31 December 2019</b>		<b>(733)</b>	<b>37,552</b>	<b>36,819</b>
<b>Balance at 1 January 2020</b>		<b>(733)</b>	<b>37,552</b>	<b>36,819</b>
Deficit for the year	20(b)	-	(7,311)	(7,311)
Exchange differences on translation of foreign operations	20(a)	(227)	-	(227)
<b>Total comprehensive loss for the year</b>		<b>(227)</b>	<b>(7,311)</b>	<b>(7,538)</b>
<b>Balance at 31 December 2020</b>		<b>(960)</b>	<b>30,241</b>	<b>29,281</b>
<b>Parent entity</b>				
Balance at 1 January 2019		-	49,111	49,111
Change in accounting policy		-	40	40
<b>Restated total equity at 1 January 2019</b>		<b>-</b>	<b>49,151</b>	<b>49,151</b>
Deficit for the year	19(b)	-	(12,758)	(12,758)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(12,758)</b>	<b>(12,758)</b>
<b>Balance at 31 December 2019</b>		<b>-</b>	<b>36,393</b>	<b>36,393</b>
<b>Balance at 1 January 2020</b>		<b>-</b>	<b>36,393</b>	<b>36,393</b>
Deficit for the year	19(b)	-	(7,326)	(7,326)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(7,326)</b>	<b>(7,326)</b>
<b>Balance at 31 December 2020</b>		<b>-</b>	<b>29,067</b>	<b>29,067</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 2020

	Notes	Consolidated entity		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of goods and services tax)		67,557	106,927	67,576	106,917
Grant income		9,049	-	9,049	-
Donation paid to the University of Technology Sydney		-	(17,194)	-	(17,194)
Payment to suppliers and employees (inclusive of goods and services tax)		(72,339)	(91,401)	(72,409)	(91,448)
		4,267	(1,668)	4,216	(1,725)
Net interest received		297	1,188	287	1,254
Joint venture partnership distribution received		622	710	622	710
Input tax credit refund from Australian Taxation Office		1,437	1,506	1,437	1,506
<b>Net cash inflow from operating activities</b>	27	<b>6,623</b>	<b>1,736</b>	<b>6,562</b>	<b>1,745</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(1,223)	(5,816)	(970)	(4,752)
Payments for intangibles		(1,744)	(2,613)	(1,744)	(2,613)
Payment for establishment of subsidiary		-	-	-	(1,775)
Capital contribution to subsidiary		-	-	(1,350)	-
Proceeds from sale of property, plant and equipment		-	45	-	45
<b>Net cash (outflow) from investing activities</b>		<b>(2,967)</b>	<b>(8,384)</b>	<b>(4,064)</b>	<b>(9,095)</b>
<b>Cash flows from financing activities</b>					
Interest elements of lease payments		(2,133)	(2,199)	(1,922)	(2,166)
Principal elements of lease payments		(10,100)	(8,920)	(9,558)	(8,598)
<b>Net cash (outflow) from financing activities</b>		<b>(12,233)</b>	<b>(11,119)</b>	<b>(11,480)</b>	<b>(10,764)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,577)</b>	<b>(17,767)</b>	<b>(8,982)</b>	<b>(18,114)</b>
Cash and cash equivalents at the beginning of the financial year		46,423	64,250	45,421	63,535
Effects of exchange rate changes on cash and cash equivalents		89	(60)	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>37,935</b>	<b>46,423</b>	<b>36,439</b>	<b>45,421</b>
Non cash investing and financing activities	27(a)				

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, Insearch India LLP, Insearch Global Pty Ltd and Insearch Lanka (Private) Limited. 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% owned) and Insearch Education International Pty Limited (10% 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. Insearch Lanka (Private) Limited was formed in 2019 in Sri Lanka to provide pathway courses to university studies. In 2019, Insearch Global Pty Ltd exists as a holding company to Insearch Lanka (Private) Limited.

During 2020 Insearch Limited changed its trading name from UTS Insearch to UTS College, the company name will continue to be registered as Insearch Limited.

## 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. 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 2020 were authorised for issue in accordance with a resolution of the Directors on 24 March 2021.

#### (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 have been used to prepare the subsidiaries' financial statements.

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, unless otherwise stated within these accounting policies.

#### (iii) New and amended standards adopted by the group

The group has applied the following standards and amendments for first time in its annual reporting period commencing 1 January 2020:

- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia
- AASB 1059 Service Concession Arrangements: Grantors

The amendments listed above 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 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. These new standards and interpretations are set out below:

- AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform Phase 2
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements to IFRS Standards 2018-2020 and Other Amendments
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current

#### (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 2020 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 where 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**

Management determine whether a transaction is a genuine donation (accounted for under AASB 1058 Income of Not-for-Profit Entities) or a contract with a customer (accounted for under AASB 15 Revenue from contracts with customers).

A contract is within the scope of AASB 15 if:

- the entity has an enforceable contract with a customer, and
- the contract includes sufficiently specific promises for the NFP entity to transfer goods or services to the customer or third party beneficiaries.

Under AASB 15, the group recognised revenue based on the following five step approach:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Significant judgements are used in assessing whether a promise is sufficiently specific, taking into account any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services.

Under AASB 1058, the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners.

Revenue is recognised for the major business activities using the methods outlined below.

**(i) Fees**

Education fees are paid in advance by students and recognised as a contract liability. Revenue is deferred and recognised over time in the accounting year in which the course is delivered in accordance with related performance obligations. Education fees is disclosed net of refunds.

**(ii) Other fees and charges**

Fees are recognised at a point in time as revenue when services are provided.

**(iii) Government grants**

The JobKeeper grant is recognised as other income when the group is reasonably assured that it will comply with the conditions attaching to it, and the grant will be received. The grant is recognised as a receivable when the associated wage payments are made. Receipt of reimbursement from the Australian Taxation Office (ATO) reduces the receivable.

**(iv) Other income**

Other income includes net gain or loss on disposal of non-current assets, interest income and distributions from associates.

**(e) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs under the contract.

**(f) 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.

**(g) 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 overseas entities.

**(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the 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.

**(i) 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.

**(j) 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 which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

**(k) 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 four 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% and 3.00% (2019: 0.10% and 1.20%). Deposits at Call are bearing a floating interest rate between 0.01% and 0.20% (2019: 0.65% and 1.00%). Fixed Term Deposits are bearing interest rates between 0.12% and 0.27% (2019: 1.05% and 1.42%).

**(l) 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 collectability of trade receivables is reviewed on an ongoing basis and based on the expected credit losses. 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.

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

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 2020 and 31 December 2019, the group only have financial assets to be measured at amortised cost.

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

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 or, in the case of right-of-use assets, the shorter lease term 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	5 years
Office equipment	3-5 years
Mofor vehicles	3-4 years
Computer equipment	3-5 years
Right-of-use assets	1-8 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, including options.

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(j)).

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

**(o) 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**

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 with 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

**(p) Leases**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

The group leases various office space. Rental contracts are typically made for fixed terms of 1 month to more than 5 years, but may have extension options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the group under residual value guarantees,

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

**Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

**(q) 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.

**(r) 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.

**(s) 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 0.075% (2019: 0.91%).

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 ten-year treasury bond at the end of the reporting period of 0.97% (2019: 1.31%).

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.

**(t) 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. 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
<hr/>	
<b>Consolidated</b>	
<b>Financial assets</b>	
<b>2020</b>	
Cash and cash equivalents	37,935
Trade receivables – current <sup>1</sup>	447
Other non-current assets	246
	38,628
<b>2019</b>	
Cash and cash equivalents	46,423
Trade receivables – current <sup>1</sup>	520
Other non-current assets	323
	47,266

1. Excluding prepaid student fees and statutory receivables/payables.

**Financial statements: Insearch Limited**  
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	Liabilities at amortised cost \$'000
<b>Consolidated</b>	
<b>Financial liabilities</b>	
<b>2020</b>	
Trade and other payables	1,006
Contract liabilities	17,845
Other current liabilities <sup>1</sup>	3,828
	<b>22,679</b>
<b>2019</b>	
Trade and other payables	1,727
Contract liabilities	22,217
Other current liabilities <sup>1</sup>	4,552
	<b>28,496</b>

1. Excluding prepaid student fees and statutory receivables/payables.

	Financial assets at amortised cost \$'000
<b>Parent entity</b>	
<b>Financial assets</b>	
<b>2020</b>	
Cash and cash equivalents	36,439
Trade receivables – current <sup>1</sup>	444
Other non-current assets	2,283
	<b>39,166</b>
<b>2019</b>	
Cash and cash equivalents	45,421
Trade receivables – current <sup>1</sup>	518
Other non-current assets	2,622
	<b>48,561</b>

1. Excluding prepaid student fees and statutory receivables/payables.

	Liabilities at amortised cost \$'000
<b>Parent entity</b>	
<b>Financial liabilities</b>	
<b>2020</b>	
Trade and other payables	772
Contract liabilities	17,826
Other current liabilities <sup>1</sup>	3,597
	<b>22,195</b>
<b>2019</b>	
Trade and other payables	1,575
Contract liabilities	22,214
Other financial liabilities <sup>1</sup>	4,523
	<b>28,312</b>

1. Excluding prepaid student fees 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 Sri Lanka 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 in the statement of financial position of the group.

Insearch Limited views these exposures to movements in exchange rates as insignificant and therefore does not hedge against foreign exchange movements.

The movement in exchange rates in 2020 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Consolidated</b>				
RMB/AUD exchange rate – increase 10%	-	-	157	119
RMB/AUD exchange rate – decrease 10%	-	-	(157)	(119)
USD/AUD exchange rate – increase 10%	-	-	(1)	-
USD/AUD exchange rate – decrease 10%	-	-	1	-
INR/AUD exchange rate – increase 10%	-	-	6	(5)
INR/AUD exchange rate – decrease 10%	-	-	(6)	5
LKR/AUD exchange rate – increase 10%	-	-	22	10
LKR/AUD exchange rate – decrease 10%	-	-	(22)	(10)

**(ii) Interest rate risk**

Cash investments are maintained for maturity dates between one and four months. 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Consolidated</b>				
Interest rates – increase by 1%	379	465	-	-
Interest rates – decrease by 1%	(379)	(465)	-	-

**(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 Commonwealth Bank of Australia 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 2020 or 1 January 2020 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.

**Consolidated entity**

On that basis, the loss allowance as at 31 December 2020 and 31 December 2019 was determined as follows for both trade receivables.

	Current (less than 90 days past due) \$'000	90–180 days past due \$'000	More than 180 days past due \$'000	Total \$'000
<b>Consolidated entity</b>				
<b>31 December 2020</b>				
Expected loss rate	12.78%	100.00%	18.32%	
Gross carrying amount – trade receivables	267	12	262	541
<b>Loss allowance</b>	<b>34</b>	<b>12</b>	<b>48</b>	<b>94</b>
<b>31 December 2019</b>				
Expected loss rate	2.99%	100.00%	100.00%	
Gross carrying amount – trade receivables	536	19	-	555
<b>Loss allowance</b>	<b>16</b>	<b>19</b>	<b>-</b>	<b>35</b>

	Current (less than 90 days past due) \$'000	90–180 days past due \$'000	More than 180 days past due \$'000	Total \$'000
<b>Parent entity</b>				
<b>31 December 2020</b>				
Expected loss rate	12.88%	100.00%	18.32%	
Gross carrying amount – trade receivables	264	12	262	538
<b>Loss allowance</b>	<b>34</b>	<b>12</b>	<b>48</b>	<b>94</b>
<b>31 December 2019</b>				
Expected loss rate	3.00%	100.00%	100.00%	
Gross carrying amount – trade receivables	534	19	-	553
<b>Loss allowance</b>	<b>16</b>	<b>19</b>	<b>-</b>	<b>35</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.

**(i) Maturities of lease liabilities**

The tables below analyse the group's lease liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

Contractual maturities of lease liabilities	Less than 1 year \$'000	Between 1 and 5 years \$'000	Later than 5 years \$'000	Total contractual cash flows \$'000	Less: Imputed interest \$'000	Carrying amount liabilities \$'000
<b>Consolidated entity – At 31 December 2020</b>						
Lease liabilities	12,750	34,773	6,495	54,018	(5,402)	48,616
<b>Consolidated entity – At 31 December 2019</b>						
Lease liabilities	12,086	40,693	11,217	63,996	(6,507)	57,489

Contractual maturities of lease liabilities	Less than 1 year	Between 1 and 5 years	Later than 5 years	Total contractual cash flows	Less: Imputed interest	Carrying amount liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent entity – At 31 December 2020</b>						
Lease liabilities	12,085	33,244	6,495	51,824	(5,095)	46,729
<b>Parent entity – At 31 December 2019</b>						
Lease liabilities	11,414	38,677	11,217	61,308	(6,295)	55,013

**(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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>4. Revenue from contracts with customers</b>				
<b>Revenue from continuing operations</b>				
Fees	72,424	108,022	72,349	108,013

**(a) Disaggregation of revenue from students and contracts with customers**

The group derives revenue from the transfer of services over time and at a point in time in the following major product lines and geographical regions.

	Australia \$'000	Subcontinent \$'000	Total \$'000
<b>Consolidated 2020</b>			
Timing of revenue recognition: external customers			
At a point in time – Other fees	1,029	-	1,029
Over time – Education course fees	71,320	75	71,395
	<b>72,349</b>	<b>75</b>	<b>72,424</b>
<b>Consolidated 2019</b>			
Timing of revenue recognition: external customers			
At a point in time – Other fees	1,863	-	1,863
Over time – Education course fees	106,150	9	106,159
	<b>108,013</b>	<b>9</b>	<b>108,022</b>
<b>Parent entity 2020</b>			
Timing of revenue recognition: external customers			
At a point in time – Other fees			1,029
Over time – Education course fees			71,320
			<b>72,349</b>
<b>Parent entity 2019</b>			
Timing of revenue recognition: external customers			
At a point in time – Other fees			1,863
Over time – Education course fees			106,150
			<b>108,013</b>

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	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>(b) Liabilities related to contracts with customers</b>				
Total prepaid course fees	17,845	22,217	17,826	22,214
<b>5. Other income</b>				
JobKeeper grant income	9,049	-	9,049	-
Net (losses)/gains on disposal of non-current assets	(148)	64	(148)	64
Interest	235	1,081	225	1,078
Distributions from interest in associate	-	-	380	622
Other	30	399	29	278
<b>Total other income</b>	<b>9,166</b>	<b>1,544</b>	<b>9,535</b>	<b>2,042</b>
<b>6. Expenses</b>				
<b>Expenses from continuing operations</b>				
<b>(i) Employee benefits expenses</b>				
Salaries and wages	36,199	41,091	35,239	40,361
Superannuation	3,236	3,846	3,212	3,835
Payroll tax	2,198	2,469	2,198	2,468
Other	1,806	1,615	1,748	1,604
<b>Total employee benefits expenses</b>	<b>43,439</b>	<b>49,021</b>	<b>42,397</b>	<b>48,268</b>
<b>(ii) Depreciation and amortisation expense</b>				
<b>Depreciation</b>				
Office equipment	508	411	482	397
Furniture and fittings	2,570	2,271	2,485	2,267
Mofor vehicles	78	74	78	74
Computer equipment	1,056	952	989	916
Right-of-use assets	11,973	10,946	11,272	10,594
<b>Total depreciation</b>	<b>16,185</b>	<b>14,654</b>	<b>15,306</b>	<b>14,248</b>
<b>Amortisation</b>				
Curriculum	113	156	113	156
Software	1,199	1,365	1,199	1,365
<b>Total amortisation</b>	<b>1,312</b>	<b>1,521</b>	<b>1,312</b>	<b>1,521</b>
<b>Total depreciation and amortisation expense</b>	<b>17,497</b>	<b>16,175</b>	<b>16,618</b>	<b>15,769</b>
<b>(iii) Other expenses</b>				
Occupancy	1,817	2,262	1,490	1,890
Security	326	593	300	586
Communications	436	487	306	407
Homestay and welcome	84	688	84	688
Educational expenses	1,652	3,385	1,646	3,385
Scholarships	271	221	271	221
Promotion and channel partner commissions	13,002	20,015	15,485	22,432
Travel	241	1,625	154	1,349
Staff appointments	137	406	136	406
IT costs	2,701	2,460	2,694	2,457
Staff wellbeing	382	431	25	40
Sponsorships	21	290	20	287

	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Audit and accounting fees	559	584	406	455
Legal fees	283	322	280	321
Consultancy	1,424	1,389	1,391	1,362
Subscription and membership	211	267	207	267
Printing and stationery	57	369	41	346
Loss on foreign exchange	70	87	70	87
Impairment losses of investments	-	-	1,745	63
Other	1,780	2,387	1,378	2,257
<b>Total other expenses</b>	<b>25,454</b>	<b>38,268</b>	<b>28,129</b>	<b>39,306</b>

## 7. Cash and cash equivalents

### Current assets

Cash at bank and in hand	5,654	6,643	4,158	5,641
Deposits at call	13,781	5,780	13,781	5,780
Term deposits	18,500	34,000	18,500	34,000
<b>Total cash and cash equivalents</b>	<b>37,935</b>	<b>46,423</b>	<b>36,439</b>	<b>45,421</b>

## 8. Trade receivables

Trade receivables	541	555	538	553
Loss allowance (see note 3(b))	(94)	(35)	(94)	(35)
	<b>447</b>	<b>520</b>	<b>444</b>	<b>518</b>

### (a) Loss allowance

The current trade receivables of the group with a nominal value of \$94,105 (2019: \$35,338) were impaired and related 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.

At 1 January	35	18	35	18
Increase in loss allowance recognised in profit or loss during the year	63	41	63	41
Receivables written off during the year as uncollectable	(4)	(24)	(4)	(24)
<b>At 31 December</b>	<b>94</b>	<b>35</b>	<b>94</b>	<b>35</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.

	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>9. Financial assets at amortised cost</b>						
<b>Consolidated</b>						
Accrued interest	4	-	4	66	-	66
Other receivables	2,576	-	2,576	1,100	-	1,100
	<b>2,580</b>	<b>-</b>	<b>2,580</b>	<b>1,166</b>	<b>-</b>	<b>1,166</b>
<b>Parent</b>						
Accrued interest	4	-	4	66	-	66
Other receivables	2,405	-	2,405	1,039	-	1,039
	<b>2,409</b>	<b>-</b>	<b>2,409</b>	<b>1,105</b>	<b>-</b>	<b>1,105</b>

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	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>10. Other assets</b>						
<b>Consolidated</b>						
Prepayments	4,032	-	4,032	5,238	-	5,238
Security deposits	-	246	246	-	323	323
Interest in associate and joint venture	-	-	-	-	-	-
Insearch (Shanghai) Limited	-	-	-	-	-	-
Insearch India LLP	-	-	-	-	-	-
Insearch Global/Insearch Lanka	-	-	-	-	-	-
	<b>4,032</b>	<b>246</b>	<b>4,278</b>	<b>5,238</b>	<b>323</b>	<b>5,561</b>
<b>Parent</b>						
Prepayments	3,932	-	3,932	5,171	-	5,171
Security deposits	-	25	25	-	25	25
Interest in associate and joint venture	-	81	81	-	81	81
Insearch (Shanghai) Limited	-	1,062	1,062	-	739	739
Insearch India LLP	-	168	168	-	2	2
Insearch Global/Insearch Lanka	-	947	947	-	1,775	1,775
	<b>3,932</b>	<b>2,283</b>	<b>6,215</b>	<b>5,171</b>	<b>2,622</b>	<b>7,793</b>

	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>11. Investments accounted for using the equity method</b>				
Interest in associated undertaking	108	746	-	-
<b>Total investments accounted for using the equity method</b>	<b>108</b>	<b>746</b>	<b>-</b>	<b>-</b>
<b>Share of profits and losses</b>				
Associate	(235)	837	-	-

	Consolidated entity	
	2020 \$'000	2019 \$'000
Carrying amount of investment in associated entity	108	746
<b>Share of assets and liabilities</b>		
Current assets	665	1,390
Non-current assets	1,459	1,095
<b>Total assets</b>	<b>2,124</b>	<b>2,485</b>
Current liabilities	1,984	1,703
Non-current liabilities	32	36
<b>Total liabilities</b>	<b>2,016</b>	<b>1,739</b>
<b>Net assets</b>	<b>108</b>	<b>746</b>
<b>Share of revenue and expenses</b>		
Revenues	2,066	3,940
Expenses	(2,301)	(3,103)
<b>Net profit</b>	<b>(235)</b>	<b>837</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% ownership interest in ACET and is entitled to a 40% share of its annual profits.

	Office equipment	Motor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets <sup>1</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>12. Property, plant and equipment</b>							
<b>Consolidated</b>							
<b>At 1 January 2019</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>-</b>	<b>16,349</b>
<b>Year ended 31 December 2019</b>							
Opening net book amount	1,081	161	9,563	1,685	3,859	-	16,349
Exchange differences	(5)	-	-	(17)	-	-	(22)
Transition adjustment to AASB 16	-	-	-	-	-	60,197	60,197
Additions	80	-	1,322	173	5,262	6,473	13,310
Disposals	-	-	-	(19)	-	-	(19)
Transfers	448	52	6,104	1,330	(7,934)	-	-
Depreciation charge	(411)	(74)	(2,271)	(952)	-	(10,946)	(14,654)
<b>Closing net book amount</b>	<b>1,193</b>	<b>139</b>	<b>14,718</b>	<b>2,200</b>	<b>1,187</b>	<b>55,724</b>	<b>75,161</b>
<b>At 31 December 2019</b>							
Cost	2,900	304	33,736	8,146	1,187	66,670	112,943
Accumulated depreciation	(1,707)	(165)	(19,018)	(5,946)	-	(10,946)	(37,782)
<b>Net book amount</b>	<b>1,193</b>	<b>139</b>	<b>14,718</b>	<b>2,200</b>	<b>1,187</b>	<b>55,724</b>	<b>75,161</b>
<b>At 1 January 2020</b>							
Cost	2,900	304	33,736	8,146	1,187	66,670	112,943
Accumulated depreciation	(1,707)	(165)	(19,018)	(5,946)	-	(10,946)	(37,782)
<b>Net book amount</b>	<b>1,193</b>	<b>139</b>	<b>14,718</b>	<b>2,200</b>	<b>1,187</b>	<b>55,724</b>	<b>75,161</b>
<b>Year ended 31 December 2020</b>							
Opening net book amount	1,193	139	14,718	2,200	1,187	55,724	75,161
Exchange differences	(5)	-	3	(10)	(57)	(224)	(293)
Additions	29	-	97	63	1,034	1,811	3,034
Disposals	(23)	-	-	(60)	-	(291)	(374)
Transfers	325	-	950	640	(1,915)	-	-
Depreciation charge	(508)	(78)	(2,570)	(1,056)	-	(11,973)	(16,185)
<b>Closing net book amount</b>	<b>1,011</b>	<b>61</b>	<b>13,198</b>	<b>1,777</b>	<b>249</b>	<b>45,047</b>	<b>61,343</b>
<b>At 31 December 2020</b>							
Cost	2,750	304	34,775	6,093	249	67,650	111,821
Accumulated depreciation	(1,739)	(243)	(21,577)	(4,316)	-	(22,603)	(50,478)
<b>Net book amount</b>	<b>1,011</b>	<b>61</b>	<b>13,198</b>	<b>1,777</b>	<b>249</b>	<b>45,047</b>	<b>61,343</b>
<b>Parent entity</b>							
<b>At 1 January 2019</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>-</b>	<b>16,276</b>

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	Office equipment	Mofor vehicles	Furniture and fittings	Computer equipment	Capital work in progress	Right-of-use assets <sup>1</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2019</b>							
Opening net book amount	1,068	161	9,561	1,627	3,859	-	16,276
Transition adjustment to AASB 16	-	-	-	-	-	59,936	59,936
Additions	-	-	1,282	-	4,752	3,675	9,709
Disposals	-	-	-	(19)	-	-	(19)
Transfers	448	52	6,104	1,330	(7,934)	-	-
Depreciation charge	(397)	(74)	(2,267)	(916)	-	(10,594)	(14,248)
<b>Closing net book amount</b>	<b>1,119</b>	<b>139</b>	<b>14,680</b>	<b>2,022</b>	<b>677</b>	<b>53,017</b>	<b>71,654</b>
<b>At 31 December 2019</b>							
Cost	2,797	304	33,666	7,894	677	63,611	108,949
Accumulated depreciation	(1,678)	(165)	(18,986)	(5,872)	-	(10,594)	(37,295)
<b>Net book amount</b>	<b>1,119</b>	<b>139</b>	<b>14,680</b>	<b>2,022</b>	<b>677</b>	<b>53,017</b>	<b>71,654</b>
<b>At 1 January 2020</b>							
Cost	2,797	304	33,666	7,894	677	63,611	108,949
Accumulated depreciation	(1,678)	(165)	(18,986)	(5,872)	-	(10,594)	(37,295)
<b>Net book amount</b>	<b>1,119</b>	<b>139</b>	<b>14,680</b>	<b>2,022</b>	<b>677</b>	<b>53,017</b>	<b>71,654</b>
<b>Year ended 31 December 2020</b>							
Opening net book amount	1,119	139	14,680	2,022	677	53,017	71,654
Additions	-	-	-	-	970	1,364	2,334
Disposals	(23)	-	-	(60)	-	-	(83)
Transfers	325	-	433	640	(1,398)	-	-
Depreciation charge	(482)	(78)	(2,485)	(989)	-	(11,272)	(15,306)
<b>Closing net book amount</b>	<b>939</b>	<b>61</b>	<b>12,628</b>	<b>1,613</b>	<b>249</b>	<b>43,109</b>	<b>58,599</b>
<b>At 31 December 2020</b>							
Cost	2,626	304	34,098	5,798	249	64,975	108,050
Accumulated depreciation	(1,687)	(243)	(21,470)	(4,185)	-	(21,866)	(49,451)
<b>Net book amount</b>	<b>939</b>	<b>61</b>	<b>12,628</b>	<b>1,613</b>	<b>249</b>	<b>43,109</b>	<b>58,599</b>

1. Right-of-use assets relates to leased office space.

	Curriculum	Computer software	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000

### 13. Intangible assets

#### Consolidated and parent entity

##### At 1 January 2019

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>

	Curriculum	Computer software	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2019</b>				
Opening net book amount	327	3,746	705	4,778
Additions	-	-	2,613	2,613
Transfers	-	426	(426)	-
Amortisation charge	(156)	(1,365)	-	(1,521)
<b>Closing net book amount</b>	<b>171</b>	<b>2,807</b>	<b>2,892</b>	<b>5,870</b>
<b>At 31 December 2019</b>				
Cost	3,352	13,855	2,892	20,099
Accumulated amortisation and impairment	(3,181)	(11,048)	-	(14,229)
<b>Net book amount</b>	<b>171</b>	<b>2,807</b>	<b>2,892</b>	<b>5,870</b>
<b>Year ended 31 December 2020</b>				
Opening net book amount	171	2,807	2,892	5,870
Additions	-	-	1,744	1,744
Disposals	-	(66)	-	(66)
Transfers	-	662	(662)	-
Amortisation charge	(113)	(1,199)	-	(1,312)
<b>Closing net book amount</b>	<b>58</b>	<b>2,204</b>	<b>3,974</b>	<b>6,236</b>
<b>At 31 December 2020</b>				
Cost	3,352	8,054	3,974	15,380
Accumulated amortisation and impairment	(3,294)	(5,850)	-	(9,144)
<b>Net book amount</b>	<b>58</b>	<b>2,204</b>	<b>3,974</b>	<b>6,236</b>

	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>14. Trade and other payables</b>						
<b>Consolidated</b>						
Trade and other payables	866	-	866	1,681	-	1,681
Other creditors	140	-	140	46	-	46
	<b>1,006</b>	<b>-</b>	<b>1,006</b>	<b>1,727</b>	<b>-</b>	<b>1,727</b>
<b>Parent</b>						
Trade and other payables	772	-	772	1,575	-	1,575
Other creditors	-	-	-	-	-	-
	<b>772</b>	<b>-</b>	<b>772</b>	<b>1,575</b>	<b>-</b>	<b>1,575</b>

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	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>15. Lease liabilities</b>						
<b>Consolidated</b>						
Lease liabilities	12,556	36,060	48,616	11,877	45,612	57,489
<b>Parent</b>						
Lease liabilities	11,880	34,849	46,729	11,216	43,797	55,013

The group has entered into various non-cancellable lease agreements for teaching and office premises. These leases have lease periods expiring between 2022 and 2027. Certain leases include one or more options to renew. The group does not include renewals in the determination of the lease term unless the renewals are deemed to be reasonably certain.

The following amounts related to leases were recognised in the statement of comprehensive income:

	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest expense (included in finance cost)	2,133	2,199	1,922	2,166
Expense relating to short-term leases (included in occupancy cost)	334	495	75	99

The total cash outflow for leases in 2020, excluding short-term leases, was \$12,233,225 (2019: \$11,381,346) for the group and \$11,480,433 (2019: \$10,764,285) for the parent entity.

	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>16. Employee benefit obligations</b>						
<b>Consolidated</b>						
Leave obligations – annual leave (a)	2,758	-	2,758	2,520	-	2,520
Leave obligations – long service leave (a)	3,116	1,967	5,083	2,975	2,719	5,694
<b>Total employee benefit obligations</b>	<b>5,874</b>	<b>1,967</b>	<b>7,841</b>	<b>5,495</b>	<b>2,719</b>	<b>8,214</b>
<b>Parent</b>						
Leave obligations – annual leave (a)	2,758	-	2,758	2,520	-	2,520
Leave obligations – long service leave (a)	3,116	1,967	5,083	2,975	2,719	5,694
<b>Total employee benefit obligations</b>	<b>5,874</b>	<b>1,967</b>	<b>7,841</b>	<b>5,495</b>	<b>2,719</b>	<b>8,214</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(s).

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 \$5,873,747 (2019: \$5,495,042) 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current annual leave obligations expected to be settled after 12 months	834	589	834	589
Current long service leave obligations expected to be settled after 12 months	917	911	917	911

	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>17. Other liabilities</b>				
<b>Current liabilities</b>				
Accrued expenses	3,589	3,815	3,358	3,786
Others	239	737	239	737
<b>Total other current liabilities</b>	<b>3,828</b>	<b>4,552</b>	<b>3,597</b>	<b>4,523</b>

	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>18. Provisions</b>						
<b>Consolidated</b>						
Make good provision	-	4,510	4,510	-	4,429	4,429
	-	4,510	4,510	-	4,429	4,429
<b>Parent</b>						
Make good provision	-	4,510	4,510	-	4,429	4,429
	-	4,510	4,510	-	4,429	4,429

**(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 137 Provisions, contingent liabilities and contingent assets. 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 \$'000
<b>Consolidated 2020</b>	
<b>Current and non-current</b>	
Carrying amount at start of year	4,429
Charged to the profit or loss	81
Carrying amount at end of year	4,510
<b>Parent entity 2020</b>	
Carrying amount at start of year	4,429
Charged to the profit or loss	81
Carrying amount at end of year	4,510

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	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>19. Reserves and retained surplus</b>				
<b>(a) Reserves</b>				
Foreign currency translation reserve	(960)	(733)	-	-
<b>Movements</b>				
<b>Foreign currency translation reserve</b>				
Balance 1 January	(733)	(671)	-	-
Currency translation differences arising during the year	(227)	(62)	-	-
<b>Balance 31 December</b>	<b>(960)</b>	<b>(733)</b>	<b>-</b>	<b>-</b>
<b>(b) Retained surplus</b>				
Movements in retained surplus were as follows:				
Balance 1 January	37,552	50,076	36,393	49,111
Deficit for the year	(7,311)	(12,564)	(7,326)	(12,758)
Changes in accounting policies	-	40	-	40
<b>Balance 31 December</b>	<b>30,241</b>	<b>37,552</b>	<b>29,067</b>	<b>36,393</b>

**20. Key management personnel disclosures**

**(a) Directors**

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

**(i) Non-executive chair**

Emeritus Vice-Chancellor RD Milbourne, AO

**(ii) Executive director**

Mr A Murphy

**(iii) Non-executive directors**

Mr I Watt

Professor PC Earley

Dr AM Dwyer

Emeritus Vice-Chancellor RD Milbourne, AO

Mr MA Leigh (appointed 1 October 2019)

Mr GA Freeland

Ms JN Anderson

Mr A Murphy

**(b) Other key management personnel**

Professor 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.

	Consolidated		Parent entity	
	2020	2019	2020	2019
<b>Remuneration of directors</b>				
\$0 to \$49,999	3	6	3	6
\$50,000 to \$99,999	3	2	3	2
\$100,000 to \$149,999	1	1	1	1
\$150,000 to \$199,999	-	-	-	-

	Consolidated		Parent entity	
	2020	2019	2020	2019
\$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
	<b>8</b>	<b>10</b>	<b>8</b>	<b>10</b>

	Consolidated entity		Parent entity	
	2020 \$	2019 \$	2020 \$	2019 \$
Short-term employee benefits	753,867	735,743	753,867	735,743
Post-employment benefits	52,266	47,413	52,266	47,413
	<b>806,133</b>	<b>783,156</b>	<b>806,133</b>	<b>783,156</b>

## 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 \$nil (2019: \$17,193,789), this includes \$nil (2019: \$193,789) in respect of UTS staff acting as Directors on the Insearch Board.
- Sales of services and fees to the University of Technology Sydney \$74,645 (2019: \$109,260).
- Services rendered by the University of Technology Sydney to Insearch Limited \$1,870,065 (2019: \$4,361,993).
- Consulting service income between Insearch (Shanghai) Limited and Insearch Limited \$1,944,283 (2019: \$1,972,631).
- Consulting service expense between Insearch Limited and Insearch (Shanghai) Limited \$1,944,283 (2019: \$1,972,631).
- Consulting service income between Insearch India LLP and Insearch Limited \$805,774 (2019: \$980,012).
- Consulting service expense between Insearch Limited and Insearch India LLP \$805,774 (2019: \$980,012).
- Consulting service Income between Insearch Education International Pty Ltd and Insearch Limited \$4,000 (2019: \$nil).
- Consulting service expense between Insearch Limited and Insearch Education International Pty Ltd \$4,000 (2019: \$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	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>Current receivables (sales of goods and services)</b>				
Insearch (Shanghai) Limited	-	-	4,915	13,219
Insearch Lanka (Private) Limited	-	-	214,131	29,744
<b>Current payables (sales of goods and services)</b>				
Insearch India LLP	-	-	26,030	-

## 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	
			2020 %	2019 %
Insearch (Shanghai) Limited	China	Ordinary	100	100
Insearch Global Pty Ltd	Australia	Ordinary	100	100
Insearch Education International Pty Limited	Australia	Ordinary	100	100
Insearch India LLP <sup>1</sup>	India	Ordinary	90	90
Insearch Lanka (Private) Limited	Sri Lanka	Ordinary	100	100

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, Insearch Limited, its related practices and non-related audit firms:

	Consolidated entity		Parent entity	
	2020 \$	2019 \$	2020 \$	2019 \$
<b>(a) The Audit Office of New South Wales</b>				
<b>(i) Audit and other assurance services</b>				
Audit and review of financial statements	112,485	175,973	83,885	96,435
<b>Total auditors' remuneration</b>	<b>112,485</b>	<b>175,973</b>	<b>83,885</b>	<b>96,435</b>

## 24. Members' guarantee

Insearch Limited is incorporated under the Corporations Act 2001 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.

## 25. COVID-19 impact

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the group's has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include disruptions to the supply chain, availability of employees and changes in customer demand.

## 26. Events occurring after the reporting period

Except as disclosed in note 25, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

	Consolidated entity		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>27. Cash flow information</b>				
<b>Reconciliation of deficit for the year to net cash inflow/(outflow) from operating activities</b>				
Deficit for the year	(7,311)	(12,564)	(7,326)	(12,758)
Depreciation and amortisation	17,497	16,175	16,618	15,769
Impairment losses on investments	-	-	1,745	63
Gain on debt write-off	-	(121)	-	-
Interest expense classified as financing cash flows	2,133	2,199	1,922	2,166
Net (gains)/losses on sale of non-current assets	149	(26)	149	(26)
Share of profit of associates	235	(837)	-	-
Bad debt provisions	63	41	63	41
Change in operating assets and liabilities:				
Increase in trade and other receivables	(1,466)	(333)	(1,355)	(217)
Decrease in other operating assets	1,268	29	1,301	69
Decrease in other non-current assets	457	407	-	-
Decrease in trade and other payables	(1,014)	(39)	(949)	(149)
Decrease in contract liabilities	(4,372)	(3,285)	(4,388)	(3,288)
Increase in provisions	81	69	81	69
(Decrease)/increase in employee benefit obligations	(373)	407	(373)	407
Decrease in other liabilities	(724)	(386)	(926)	(401)
<b>Net cash inflow from operating activities</b>	<b>6,623</b>	<b>1,736</b>	<b>6,562</b>	<b>1,745</b>

**(a) Non-cash investing and financing activities**

Non-cash investing and financing activities disclosed in other notes are:

- acquisition of right-of-use assets amounting to \$1,811,000 (2019: \$6,473,000) for the group and \$1,364,000 (2019: \$3,675,000) for the parent entity: note 12.

**End of audited financial statements**



The UTS Annual Report 2020 provides a record of the university's performance and activities for the year. It is in two volumes: volume one is a review of our operations and statutory reporting; and volume two contains our financial statements.

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